



Annual report **Sustainability**

2013



ENERGY TO LIFE



Annual report
Sustainability

2013



Huinco hydroelectric plant (Peru)



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Presentation



Borja Prado Eulate
Chairman of ENDESA

The 2013 Sustainability Report, designed to inform stakeholders on the Company's sustainability performance in 2013, forms part of ENDESA's commitment to sustainable development and transparency. The commitment to sustainable development begins with senior management and extends to every part of the Company and all employees. The 2008-2012 Sustainability Plan carried out over the past few years was renewed and extended in 2013 for its natural inclusion in the Enel Group Sustainability Plan. The 2008-2012 Sustainability Plan carried out over the past few years was renewed and extended in 2013 for its natural inclusion in the Enel Group Sustainability Plan.

The Sustainability Plan reflects ENDESA's firm commitment to economic and social development through investment in productive activities geared towards ensuring environmen-

tally-sustainable energy for the fulfilment of its mission and the long-term development of its businesses. The Sustainability Plan contains a total of 71 monitoring indicators, of which 50 form part of the Sustainability Scorecard reported to senior management every six months.

The 2013 Sustainability Report has been prepared in accordance with version G3.1 of the Global Reporting Initiative (GRI) and has been verified by an independent external body. The report is complemented by the specific GRI Electric Utilities Sector Supplement and the principles of AA1000 APS (2008) and the Global Compact.

In ENDESA's sustainability management model, the concept of sustainability forms part of the principles of the Global Compact and is an integral part of the Company's manage-

ment strategy, from the definition of its mission, vision and values to the individual objectives set for senior managers and other employees whose salaries are determined to some degree by achieving management objectives.

ENDESA's commitment to transparency is underscored by the publication of 13 Sustainability Reports. The Company believes that responsible conduct, accountability and sustainability management are all essential to give legitimacy to our actions in the communities where we operate.

In 2013, ENDESA publicly renewed its commitment to the implementation, disclosure and promotion of the United Nations Global Compact (UNGC). Since adhering to the UNGC in 2012, the Company has endeavoured to embrace the ten universally accepted principles in the areas of human rights, labour, environment and anti-corruption in its operations and strategy. We are actively committed to this international initiative through our memberships to national and regional networks by adhering to various existing global initiatives under the UNGC framework. The information contained in the Sustainability Report describes the actions carried out by the Company to ensure that it upholds the ten principles in its businesses and promotes and disseminates them among its stakeholders.

ENDESA has an ongoing commitment to respect and protect human rights. This commitment is reflected in the Company's mission, vision and values, evidenced in its adherence to the UNGC. In 2013, within the scope of an initiative adopted throughout the Enel Group, ENDESA's Board of Directors approved the Company's Human Rights Policy. This policy was presented to and approved by the boards of directors of the various subsidiaries. ENDESA's Human Rights Policy sets out the Company's commitment and responsibilities in relation to human rights in general, and those applicable to the business activities and corporate operations carried out by company employees in particular.

Approval of the policy marks a step forward in ENDESA's longstanding commitment to principles of sustainable development. Year after year, this commitment poses new challenges that the Company is willing to tackle decisively and transparently.



Borja Prado Eulate
Chairman

Presentation

Each year, through its Sustainability Report, ENDESA provides stakeholders detailed information of the activities undertaken by the Company in relation to sustainable development over the past year. It is just one of many expressions of transparency reflecting our conviction that a commitment to society is a key ingredient to the Company's long-term success; a commitment that does not just complement our business, but that is a core element of our business.

Our objective is to create value and wealth for the community by providing a basic service that is both accessible and of quality, and to do so while protecting the environment and meeting the needs of the societies and communities in which we operate. In this way, we attempt to combine our financial, social and environmental commitment in a global, integrated effort.

Admittedly, we are not the only Spanish company adopting a triple bottom line approach to sustainable development. However, at the risk of sounding pretentious, we were certainly one of the first and one of the companies that has aligned its business model and management philosophy with principles of sustainability most clearly and decisively. This has resulted in the systematic control of compliance with sustainability targets, just as with any other performance measure.

ENDESA's sustainable development strategy is outlined in the 2008-2012 Sustainability Plan, which was rolled over in 2013 for a smooth and seamless alignment with the objectives of the Enel Group Sustainability Plan.

The Sustainability Report discusses the progress made in executing the Sustainability Plan in terms of the Company's seven commitments to sustainable development. These are our commitments to our people, our customers, our investors, good governance and transparency, the environment, technology and innovation, and our partners. The Plan is also designed to address two strategic challenges: combating climate change and strengthening ties with local communities in the countries and territories where ENDESA operates. In 2013, ENDESA achieved its highest score ever in



Andrea Brentano
CEO of ENDESA

the Dow Jones Sustainability Index (DJSI), marking its 13th straight year in the index.

Our performance is discussed throughout the report, but I would first like to point out what I consider to be the milestones in the year.

Health, safety and development of our employees and partners

The health and safety of our employees and partners at work is a top priority. This is evident in our "zero accident" objec-

tive. «cero accidentes». We are continuously developing occupational health and safety (OHS) initiatives as part of our 2011-2015 Safety Plan, which forms an integral part of the Enel Group's OHS strategy. Thanks to this joint endeavour, ENDESA managed to lower the injury rate of its employees and contractors by 16% in 2013.

Moreover, based on the results of the Enel Group's Working Climate Survey conducted at the end of 2012, we drew up an action plan comprising more than 2,000 initiatives designed to leverage our strengths in this respect to address the areas of improvement identified.

Meanwhile, ENDESA remains firmly committed to principles of gender equality and non-discrimination, as well as to achieving a work-life balance. To illustrate, in 2013, for the third consecutive year, ENDESA was awarded the "Equality in the Workplace" seal by the Spanish Ministry of Health, Social Services and Equality, making it part of the network of companies with this recognition. ENDESA is also certified as a "Family-Friendly Company" by Fundación Mas Familia and in 2013 passed the maintenance review of its business model, achieving a higher score and being raised to the "proactive plus" category. We also have this certification in Chile, while in Colombia we passed the related maintenance audit.

Service quality

In 2013, the Company continued to work on improving supply and service to its 25.8 million customers. The TIEPI (equivalent interruption time related to installed capacity) of territories supplied by ENDESA's distribution networks in Spain improved by 5% in the year, while the reliability of supply was equivalent to 99.99% of total hours for the year, signalling a new record in supply reliability.

In 2013, ENDESA's Customer Excellence Plan focused on the quality of its telephone, personal and online assistance, as well as complaint management and the development of

new billing models and quicker customer perception measurement systems. The main results included an 8% increase in overall satisfaction with the telephone channel in the mass market, a 100% increase in the number of existing e-billing contracts, a 10% increase in overall satisfaction among business customers of the complaints process and a 5% improvement in overall satisfaction with meter reading and billing in the mass market. At the same time, Ampla, one of our two Brazilian distributors, was voted the top electricity utility in customer service according to the Exame IBRC 2013 Customer Service Ranking.

Creating value and profitability

ENDESA achieved an EBITDA of Euros 6,720 million in 2013, down 4% from the year before. The decrease was mostly caused by the tax and regulatory measures applied in Spain in 2012 and 2013, which combined had a negative impact on EBITDA of Euros 1,329 million in 2013. However, this was partly offset by the huge efforts made to optimise costs and investments, in addition to the range of operating improvements made.

The Company regularly reports on its economic and financial performance through the Shareholders' Office, making presentations to analysts, mostly on its quarterly results, and offering personalised service to analysts and investors.

Corporate governance and ethical behaviour

Transparency of information to stakeholders and ethical behaviour are the cornerstones of ENDESA's corporate governance model.

The Company has a Code of Ethics and a Zero Tolerance Plan Against Corruption, which outline the ethical responsibilities and commitments in the management of the businesses and corporate activities of employees and partners.

Environmental protection

ENDESA conducts its activities in an environmentally-friendly manner, making progress on the roll-out and certification of environmental management systems, maintaining existing certifications and devoting resources to biodiversity protection and to responsible waste management.

In 2013, ENDESA continued to work towards implementing and obtaining ISO 14001 and EMAS certification for its environmental management and audit systems at the facilities in the main areas and countries in which it operates. 98% of ENDESA's power output in Iberia and Latin America is certified according to environmental standards.

Meanwhile, the environmental measures implemented at the large combustion plants in Spain and Portugal since 2008 have resulted in reductions of more than 30% in sulphur dioxide (SO₂) emissions, more than 51% in nitrogen oxide (NO_x) and more than 47% in suspended particles.

Combating climate change

After six years of operation, ENDESA's Climate Change Programme has established the Company as a benchmark in combating climate change, mainly through its commitment to energy efficiency and R&D and innovation to reduce emissions.

To illustrate, the Company achieved a score of 98 out of 100 in the Carbon Disclosure Project, a not-for-profit organisation providing a system to measure emission reductions and corporate transparency in relation to climate change mitigation performance.

In sustainable transport, an area in which ENDESA ranks among the leaders, in 2013 the Company spearheaded Project Victoria, an initiative to develop the first dynamic inductive charging system for a bus lane in Spain whereby electric buses will be charged wirelessly while on the move. Another key highlight was ENDESA's participation in the e-DASH Pro-

ject, a European initiative aimed at the harmonization of electricity demand in Smart Grids for sustainable integration of electric vehicles.

Also during the year, ENDESA participated in the study and execution of activities related to the integration of electric vehicles in the existing power grid infrastructure. The main actions included the development of Vehicle-to-Grid (V2G) systems and, specifically, the implementation of this technology with SmartCity Malaga, and the international Zem2All project, aimed at the mass testing of new e-mobility services and advantages.

Commitment to innovation

Direct investment by ENDESA in R&D and innovation activities in the year totalled Euro 40 million. More than 200 projects were executed, many of which achieved significant results, also thanks to close collaboration with the Enel Group.

Highlights included the development of smart cities in Spain (Malaga and Barcelona) and Latin America (Búzios in Brazil and Santiago de Chile), putting ENDESA at the forefront in this field; the installation of 4.2 million meters and 32,765 concentrators by December 2013 in Spain based on the know how developed by Enel; the application for four new patents for the first edition of the Enel Lab competition, with a prize of Euro 15 million, designed to Italian and Spanish start-ups developing clean technology projects; or the creation of the IDEO innovation system in Colombia, which generated 347 ideas resulting in the grant of four new patents.

The people who work at or for ENDESA

At ENDESA, we do not make any distinctions between our Company and our partners when implementing sustainability criteria. For instance, the OHS requirements are the same for partners as for our own employees. Meanwhile, progress

has been made on the Vendor Rating System, which has been implemented for 138 purchasing families, an increase of 66% from 2012.

Promoting social development

All these are examples of ENDESA's awareness of the impact its activities may have on the social environments where it operates. That said, the Company's concerns go much further. At the same time, it remains watchful of other social needs in these environments, undertaking initiatives that promote social inclusion, strengthen its community relationships and take into consideration the demands of citizens.

ENDESA has always behaved this way, structuring community action projects in five different areas: access to energy; education and training; social development and quality of

life; the environment and biodiversity; and corporate volunteer work. It also considers a sixth area, humanitarian aid, which consists of making donations in the event of international catastrophes.

In short, the broad array of activities outlined in the Sustainability Report are a testament to the Company's willingness to embrace, as part of its ordinary business management, compliance with general interest objectives designed to contribute to the well-being of the people and groups with which we interact. We think this is the best way to understand our business.



Andrea Brentano

CEO of ENDESA



ENDESA's headquarters in Madrid, Spain



ENDESA,
a leading group
in the global
electricity market

99% of ENDESA Sustainability Plan objectives met

ENDESA publishes its **13th** *Annual Sustainability Report*

Approval of the Human Rights Policy, which sets out the Company's commitment and responsibilities in relation to human rights

ENDESA reviewed and prioritised its material aspects, resulting in a new Materiality Study in 2013.

ENDESA renewed the 2008-2012 Sustainability Plan and extended it to 2013, adjusting the targets for this year as part of the alignment and integration of the plan with the overall commitments and objectives of the Enel Group's Sustainability Plan.

ENDESA is the leading utility in the Spanish electricity sector and the largest private electricity multinational in Latin America. In 2013, the Company reinforced its leading position, while making a larger contribution to sustainable development. As a company, ENDESA strives to secure a reliable and affordable energy supply in the regions where it operates and to integrate the social and environmental dimensions in its management model.

1. ENDESA in figures

	2011	2012	2013
EBITDA (Euro million)	7,265	7,005	6,720
Business in Spain and Portugal	4,024	3,796	3,277
Business in Latin America	3,241	3,209	3,443
Profit after tax and non-controlling interests (Euro million)	2,212	2,034	1,879
Business in Spain and Portugal	1,593	1,410	1,176
Business in Latin America	619	624	703
Workforce (9)	22,877	22,807	22,995
Spain and Portugal (1)	11,670	11,504	11,145
Latin America	11,092	11,301	11,850
Other countries	115	2	3
Installed capacity (MW)	40,095	39,403	39,562
Spain and Portugal	23,072	23,122	23,199
Hydroelectric	4,716	4,716	4,755
Conventional thermal (2)	14,675	14,720	14,758
Thermal – nuclear (2)	3,681	3,686	3,686
CHP and renewables (8)	—	—	—
Latin America	15,832	16,158	16,240
Other countries (2)	1,191	123	123
Output (GWh)	138,714	141,434	132,427
Spain and Portugal (3)	75,132	77,386	69,690
Hydroelectric	6,179	5,350	9,511
Conventional thermal	43,776	45,069	34,212
Thermal – nuclear (2)	25,117	26,967	25,967
CHP and renewable (8)	—	—	—
Latin America	62,767	63,118	61,885
Other countries (2)	815	930	852
Sales (GWh)	162,336	162,490	157,634
Spain and Portugal	105,241	102,766	96,122
Regulated market	—	—	—
Deregulated market (5)	105,241	102,766	96,122
Latin America (6)	57,095	59,724	61,512
Other countries (4)	—	—	—
Number of customers (thousands)	25,192	25,443	25,887
Spain and Portugal	11,537	11,431	11,376
Regulated market (7)	—	—	—
Deregulated market (5)	11,537	11,431	11,376
Latin America	13,655	14,012	14,511
Energy distributed (GWh)	193,527	197,176	196,854
Spain and Portugal	115,727	115,390	112,031
Latin America	77,800	81,786	84,823

(1) In contrast to previous years, 2008 to 2013 data include figures for Asociación Nuclear Ascó-Vandellós, Carbopego, Nuclenor, Pegos Energía Eléctrica, Tejo Energía and Endesa Ingeniería due to changes to the consolidation scope.

(2) Data consolidated by ENDESA.

(3) Data measured at busbar cost.

(4) Does not include sales to end customers made by generation companies in Europe.

(5) To provide coherent economic data for this business, includes sales made by Endesa Energía and customers in European countries outside of Spain and Portugal.

(6) Does not include tolls or unbilled consumption.

(7) Tariff customers. Does not include toll customers.

(8) See chapter on "Combating Climate Change", section 1.1. Playing an active role in developing clean energies (pg. 206).

(9) Number of employees by business unit.

2. About us

ENDESA is the leading operator in the Spanish electricity sector and the largest private multinational electricity company in Latin America, with operations in eight countries (Spain, Portugal, Chile, Argentina, Colombia, Peru, Brazil and Morocco). The Company has 22,995 employees, some 25.8 million customers and 39,562 MW of installed capacity.

ENDESA reported net income of Euro 1,879 million and EBITDA of Euro 6,720 million in 2013.

2.1. Main Business Areas

ENDESA's core businesses are electricity generation, distribution and supply. It also operates in the natural gas business (supply, distribution and sales).

Outside the field of energy, ENDESA holds a stake in Bolea Real Estate and carries out substantial mining activities in Andorra (Teruel) and Puertollano (Ciudad Real). It also performs restoration work on former mining operations in Peñarroya (Córdoba) and As Pontes (La Coruña). In 2013, ENDESA produced 619,000 tonnes of coal, equivalent to 2,486 million therms (LHV).

Operations are structured by business line, giving the Company flexibility and the ability to respond to customers' needs in the regions and businesses in which it operates.

2.1.1. Spanish and Portuguese Business Unit

Endesa Spain and Portugal is composed of various companies that, due to legal requirements, are independent:

Endesa Generación

Endesa Generación encompasses ENDESA's generation and mining assets in Spain, and the assets that previously belonged to Endesa Europe in Portugal, which is part of the Iberia division, and in Morocco (which fall under "Other countries").

Endesa Red

Endesa Red was created following the merger of ENDESA's regional distribution companies in Spain. It comprises:

- Endesa Distribución Eléctrica, S.L.: regulated power transmission and distribution activities.
- Endesa Gas, S.A.: holdings in regulated natural gas market companies. Endesa Gas distributes natural gas via its stakes in Distribución y Comercialización de Gas Extremadura, Gasificadora Regional Canaria and Gas Extremadura Transportista.

Endesa Energía

ENDESA carries out supply activities on the deregulated market, responding to the demands of Spanish electricity market deregulation. The Company's core businesses are the supply of power and value-added services to those customers who exercise their right to choose an energy supplier and receive services on the deregulated market.

- **Energy Management Department:** focuses mainly on trading and fuel management.
- **Nuclear Energy Department:** comprises Endesa Operaciones y Servicios Comerciales, S.L. and provides sales support for ENDESA's power companies.
- **Support units:** provides support services to ENDESA investees:
 - Audit
 - HR
 - Planning and Control
 - Innovation
 - Communication

2.1.2. Latin America Business Unit

This business unit oversees an extensive number of Latin American companies operating in Chile, Argentina, Brazil, Colombia and Peru, in which ENDESA holds a controlling shareholding position (see map on page 16).

2.2. Energy business

2.2.1. Spain

ENDESA ended 2013 with 22,103 MW of ordinary regime capacity in Spain and Portugal, with net output of 69,690 GWh.

In Spain, ENDESA had total net output of 68,383 GWh between mainland ordinary regime and non-mainland generation, a decrease of 8.2% compared to 2012.

The Company supplied 96,122 GWh of power and had 11.4 million customers.

ENDESA also operates in the natural gas business. Its natural gas customer portfolio (excluding sales for electricity generation) was made up of 1.2 million supply points at the end of 2013, with annual consumption of 49.1 TWh, an increase of 11.8% on 2012.

2.2.2. Portugal

At the end of 2013, ENDESA had installed capacity in Portugal of 1,095 MW under the ordinary regime (244 MW at Tejo Energía and 851 MW at Elecgas). The Pego plant produced 3,024 GWh (1,176 GWh corresponding to ENDESA's 38.9% stake), representing 6.2% of Portugal's total electricity consumption.

ENDESA remains the second largest operator in the Portuguese deregulated electricity market, with a share of close to 22%. By the end of 2013, ENDESA had supplied 6,513 GWh to more than 165,000 supply points, an increase of 5.7% from the year before.

Alongside its strong position in power supply, ENDESA supplied 1,267 GWh to end customers in the Portuguese gas market, 1% more than in 2012. During the year, ENDESA continued to focus on offering added value products and services, to complement or enhance the supply of electricity and/or gas to customers.

2.2.3. Latin America

ENDESA is the leading private electricity multinational in Latin America and the largest utility in Chile, Argentina, Colombia and Peru. It also has a solid position in Brazil.

ENDESA is the leading private electric multinational in Latin America.

The Company supplies electricity to five of the region's six largest cities (Buenos Aires, Bogota, Santiago, Lima and Rio de Janeiro), owns the CIEN interconnection line between Argentina and Brazil, and has a stake in the SIEPAC electricity interconnection system that will eventually link six Central American countries.

ENDESA investees in Latin America had total installed capacity of 16,240 MW at year-end 2013, generating 61,885 GWh and selling 61,512 GWh during the year to a total of 14.5 million customers, 500,000 more than in 2012.

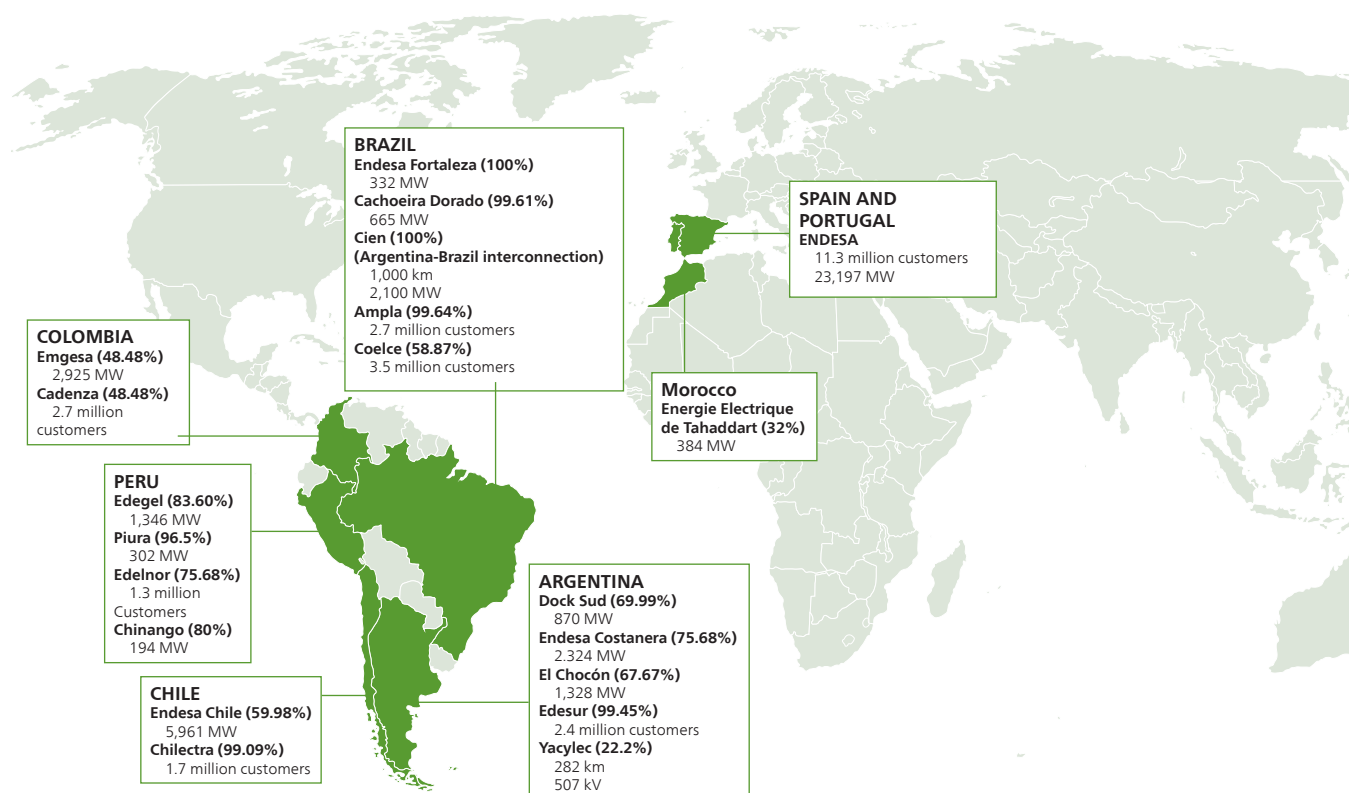
ENDESA installed capacity in Latin America (MW)

Country	2013	2012	Change (%)
Chile	5,961	5,961	0.0%
Argentina	4,522	4,522	0.0%
Colombia	2,926	2,914	0.4%
Peru	1,844	1,774	3.9%
Brazil	987	987	0.0%
Total	16,240	16,158	0.5%

ENDESA electricity output in Latin America (GWh)

Country	2013	2012	Change (%)
Chile	19,874	20,194	-1.6%
Argentina	15,743	15,222	3.4%
Colombia	12,747	13,294	-4.1%
Peru	8,529	9,231	-7.6%
Brazil	4,992	5,177	-3.6%
Total	61,885	63,118	-2.0%

ENDESA, which holds a 60.62% interest in Enersis, subscribed its proportional amount in the company's capital increase through the contribution of 100% of the share capi-



tal of Cono Sur Participaciones, owner of its direct stakes in the region except in Enersis and Empresa Propietaria de la Red (which holds the 11% economic interest in the electricity processing project, SIEPAC).

Following the capital increase, Enersis now holds all of ENDESA's ownership interests in Latin America.

2.2.4. Business in other countries

In 2013, ENDESA's main businesses outside the Iberian peninsula and Latin America were as follows:

2.2.4.2. Morocco

ENDESA operates in Morocco through its 32% stake in Energie Electrique de Tahaddart, which owns the 384 MW CCGT plant in Tahaddart. Output at this plant totalled 2,663 GWh in 2013 (of which 852 GWh corresponded to ENDESA's 32% stake).

In 2013, Energie Electrique de Tahaddart paid a dividend against 2012 earnings, of which Euro 5.1 million was payable to ENDESA.

2.2.5. Enel Green Power España

Enel Green Power España was created in 2010 as a result of the integration of the renewable assets of Endesa Cogeneración y Renovables, S.A.U. in Spain and Portugal with those of Enel Green Power in the same area.

Enel Green Power España, S.L. manages and develops all ENDESA's and Enel's renewable energy assets in Spain and Portugal. It is 40% owned by ENDESA and 60% by Enel Green Power, a wholly owned subsidiary of Enel involved in the development of renewable energies throughout the world.

At 31 December 2013, Enel Green Power España had total net installed capacity of 1,907.7 MW in renewable energies, 13% more than in 2012, with the following breakdown: 1,777.6 MW wind energy, 42.6 MW mini-hydro, 22.7 MW biomass, 13.41 MW solar and 51.4 MW cogeneration.

3. Commitment to sustainability

All financial, environmental and social opportunities are integrated into ENDESA's sustainability strategy and day-to-day management. These principles are also included in the mission and values of its parent company, the Enel Group. To do so, the Company sets business objectives that encompass a commitment to sustainable, long-term value creation for the communities in which it operates.

3.1. Mission, vision and values

The principles of sustainability are reflected in the Company's values, business mission, vision and decision-making processes.

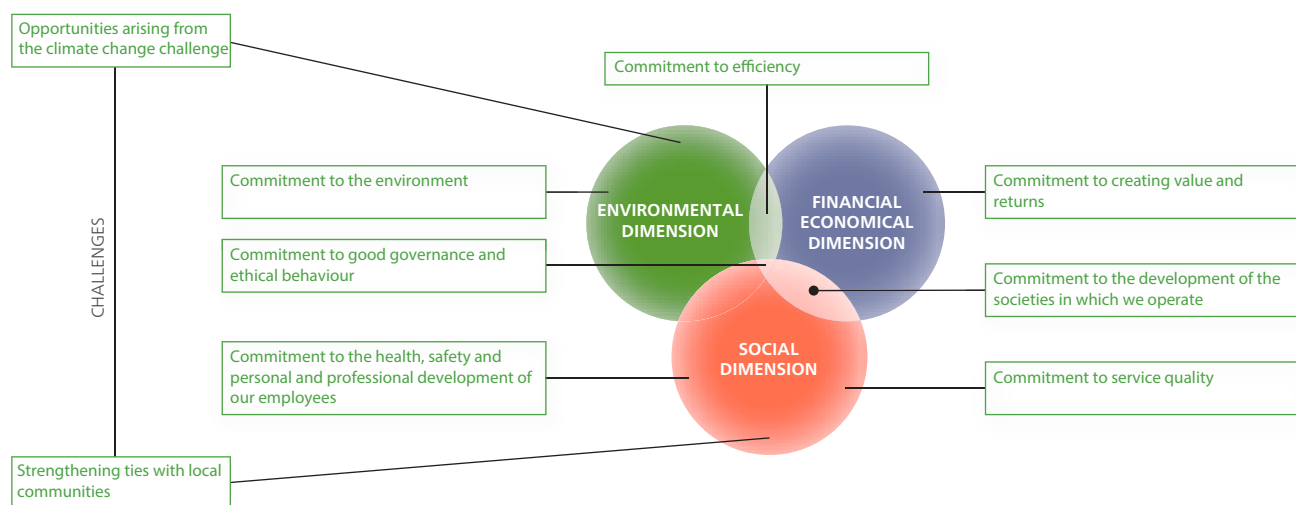
This commitment to sustainability extends to all Group companies and employees. It also explicitly includes economic remuneration systems and codes of conduct, and is extended to partners and other agents that work with ENDESA or on its behalf.

ENDESA's sustainability policy is based on the Seven Commitments to Sustainable Development that the Company published in 2003 made voluntarily to our customers, shareholders, employees and the communities where ENDESA operates, along with ethical conduct and transparency, technical innovation, energy efficiency and environmental protection.

Mission	<ul style="list-style-type: none"> • To maximise the value of our shareholders' investments. • To serve our markets and exceed customers' expectations. • To contribute to the development of our employees.
Vision	<ul style="list-style-type: none"> • ENDESA is an energy sector operator and provider of associated services, focused on electricity. • A responsible, efficient and competitive multinational company, committed to safety, health and the environment. • A company ready to compete on a global level.
Values	<ul style="list-style-type: none"> • People: we work to ensure development opportunities for all company employees, based on merit and professional contribution made. • Health and safety: we make a firm commitment to occupational health and safety by promoting a preventive culture. • Team work: we encourage working towards achieving a common goal, sharing information and knowledge. • Ethical behaviour: we encourage professionalism, moral integrity, loyalty and respect for others. • Customer focus: the focus of our efforts is to boost customer satisfaction by providing competitive, high-quality solutions. • Innovation: we strive constantly to improve and find innovative solutions to meet maximum profitability criteria. • Focused on results: our activities are aimed at achieving the objectives of our business project and profitability for our shareholders, endeavouring to exceed expectations. • Community and the environment: we have a social and cultural commitment to the community and adapt our business strategies to preserve the environment.

4. ENDESA Sustainability Plan

ENDESA's Seven Commitments



ENDESA's sustainable development strategy is included in the 2008-2012 Sustainability Plan, which was extended in 2013 as part of the alignment and integration of the plan with the overall commitments and objectives of the Enel Group's Sustainability Plan. The Sustainability Plan fully integrates the financial, social and environmental dimensions and long-term value generation across all the Company's structures.

The 2008-2012 Sustainability Plan was designed based on the Company's Sustainability Policy and its Seven Commitments to Sustainable Development, and builds on the results achieved in the 2003-2007 Strategic Environment and Sustainable Development Plan.

It was structured according to the importance to ENDESA of the issues it covers and the scope for improvement. It was based on seven main lines and two challenges, showing the Company's real commitment to sustainability through over 250 programmes and initiatives, including the monitoring of indicators and specific objectives. One unique feature of the plan is that it has undergone changes over the last five years to adjust for actual situations and progress at any given time, making this an evolving and constantly relevant plan.

More than 140 programmes and initiatives in 2013 as part of ENDESA's Sustainability Plan

ENDESA Sustainability Plan

Core actions	<ul style="list-style-type: none"> • Our customers, commitment to service quality. • Our investors and shareholders, commitment to creating value and profitability. • Our people, commitment to the health, safety, and personal and professional development of our employees. • Our conduct, commitment to corporate governance, ethical behaviour and transparency. • Our environment, commitment to the environment. • Innovation, commitment to efficiency. • Commitment to our partners.
Challenges	<ul style="list-style-type: none"> • Combating climate change. • Strengthening ties with local communities and the company's legitimacy in the areas where it operates.

The Sustainability Plan reflects ENDESA's firm commitment to investing in assets that generate public confidence, maximising the most efficient intangible assets therein, which are crucial to fulfilling the mission of and carrying out the Business Plan over the long term.

- **Our customers: commitment to service quality.** ENDESA aims to be the best perceived electricity company, both for its service quality and excellent engagement with customers. To reach this goal, the Company has set four strategic targets:

- To improve its perception as a reliable supplier, thereby avoiding reputational crises.
- To achieve commercial excellence.
- To ensure that each interaction with the customer has a positive effect.
- To promote value-added products and services and make ENDESA a benchmark in the sector.

- **Our people: commitment to the health, safety, and personal and professional development of our employees.** ENDESA aspires to be one of the most desirable companies to work for among the top professionals in its sector. To achieve this, the Company has set three strategic objectives:

- To ensure sustained improvement in preventing labour risks and the health of both its own staff and contractors in order to be recognised as a leader in the global electricity sector.
- To consolidate a labour relations model based on dialogue with employees and their representatives, adapted to the laws and the peculiarities of each country and aligned with the Company's strategy and business needs.
- To promote a culture of respect for individuals and their diversity, of social responsibility and commitment to the organisation that positions and recognises ENDESA as an attractive company to work for.

- **Our conduct: commitment to corporate governance, ethical behaviour and transparency.** ENDESA aims to set the highest standards in good corporate governance and to ensure that all practices are permeated by its commit-

ment to sustainability and corporate integrity. To this end it has set two strategic objectives:

- To maintain its position as a world leader in good governance and transparency.
- To become a standard-bearer in the sector for compliance with codes of ethics and the fight against fraud and corruption.

- **Our investors and shareholders: commitment to creating value and profitability.** ENDESA aims to be the power company most often included in the portfolios of institutional investors who take social, environmental and ethical considerations into account when choosing investments, and to be the preferred electricity company for investors concerned by climate change. To achieve this, the Company has set two strategic objectives:

- To continue setting the standard for transparency in the investor community.
- To build greater awareness among investors of ENDESA's sustainability initiatives.

- **Our environment: commitment to protecting the environment.** ENDESA undertakes to minimise the environmental impact of its activity, addressing issues related to proper waste management, and reducing and controlling atmospheric emissions, spillages and soil pollution, and other potentially harmful impacts. Due to its strategic importance, combating climate change has become a sufficiently important challenge to warrant being given specific attention.

Excellence in environmental management includes five strategic objectives:

- To improve water management through an integrated management system.
- To protect the climate.
- To reduce pollutant emissions.
- To improve biodiversity conservation, fostering an internal conservation culture.
- To further developing global environmental management systems.

- **Innovation: commitment to efficiency.** ENDESA aspires to be a technological leader in the electricity industry and, to achieve this, has set four strategic objectives:

- To maintain a portfolio of R&D projects which meet the challenges faced by each business in terms of the type and volume of investment.
- To carry out strategic mid- and long-term technological initiatives.
- To foster a culture of innovation within the company.
- To contribute to the "zero accidents" goal as one of the Company's strategic objectives.

- **Commitment to our partners:** ENDESA aspires to be a sector leader due to the sophistication and excellence of its procurement processes and the management of its relations with suppliers and contractors. To this end, the Company has set the following strategic objectives:

- To promote quality, environmental and OHS management systems at suppliers.
- To extend and evaluate sustainability commitments along the entire supply chain.

- **Combating climate challenge:** ENDESA aspires to take a leading role in combating climate change. To this end, the Company has set the following strategic objectives:

- To analyse new eco-efficient systems leading to a reduction in CO₂ emissions.
- To participate actively in the development of renewable energies.
- To develop energy efficiency and rational energy usage opportunities.
- To plan the efficient operation of the existing grid and develop future smart grids.
- To contribute to the development of a sustainable transport model based on electric vehicles.

- **Strengthening ties with local communities and the Company's legitimacy in the areas where it operates:** ENDESA aspires to be seen as involved in the social concerns of the countries and regions where it operates and

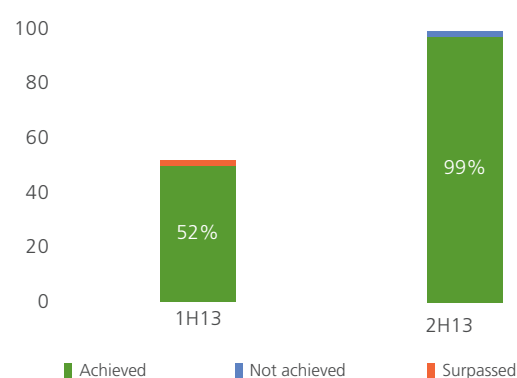
as an indispensable partner in their economic, social and environmental development. To this end, the Company has set the following strategic objectives:

- To complement its function as a provider of a basic service: access to electricity.
- To promote the implementation of the Human Rights Policy, and any related action plans, in all areas where we operate.
- To facilitate access to energy to underprivileged groups through targeted social programmes.
- To maintain responsible relations with communities, fostering their economic, social and environmental development.
- To provide a response to the needs of the main communities with which ENDESA deals.
- To realise ENDESA's potential to help create wealth and employment.
- To be accountable to society in a systematic, transparent and honest manner.

4.1. Real results

2013 was a key year in the Company's integration as a result of the Enel Group's One Company process. The initiatives associated with ENDESA's Sustainability Plan were significantly developed, enabling the Company to meet most of the plan objectives. The progress of the sustainability strategy was also built on in the different locations in which the Company operates.

Degree of development of the Sustainability Plan



"99% compliance with the Sustainability Plan"

The Sustainability Plan comprises a total of 71 tracking indicators, of which 50 feature on the Sustainability Scorecard, which is submitted to senior management every six months.

Through its programmes and actions, the overall level of achievement with objectives reached 99% in 2013.

Overall achievement 99%			
Core actions 97%	Combating climate change 100%	Strengthening local ties 100%	Communication 100%

High degree of achievement with the four cornerstones of the Sustainability Plan

The least progress made within the Sustainability Plan related to initiatives taken by the Company in Core actions, with a level of achievement of 97%. Core actions encompass the initiatives related to ENDESA's Seven Commitments. Initia-

tives related to Combating Climate change, Strengthening local ties and Communication reached 100% compliance.

- **Core Actions:** 100% or more of the objectives in the areas of Customers, People, Investors, Technology and Innovation and Partners were met. The figure was slightly lower in the areas of Good Governance and People, with 90% of the objectives achieved.
- **Combating Climate Change:** The degree of achievement was in line with the target for the year. The Renewable Energies, Energy Efficiency and Sustainable Transport projects either met or exceeded the target.
- **Strengthening ties with local communities:** Progress was on target for all programmes, such as implementation of the Sustainability Plan, the Human Rights Policy, the Enabling Electricity project, responsible relations with communities and the management and measurement of social projects.
- **Communication:** Targets were met in all areas. Expectations were met in the areas of communication, raising awareness and unlocking the value of sustainability issues.

The 2013 Sustainability Report demonstrates, for each of the sections, the progress made by the Company in the field of sustainability in the year, detailing the actions taken and results achieved in each area.

5. Compliance with international benchmarks for sustainable management

As a key player in establishing a new, global and sustainable energy model, ENDESA subscribes to the main international agreements for sustainable management. The Company is firmly committed to the United Nations Global Compact (UNGC) and its 10 universal principles, the OECD principles and the United Nations Millennium Development Goals (MDG).

ENDESA was one of the first Spanish companies to adhere to the UNGC and aligns its Vision, Mission and Values, its Corporate Integrity Rules and Sustainability Policy to the universal principles. ENDESA's corporate behaviour in all the countries where it operates is fully consistent with this commitment because of its extension to all subsidiaries and investees and to their areas of influence.

In 2013, this commitment was reinforced through the Company's active involvement in Global Compact LEAD

ENDESA's local and global commitment to the UNGC was strengthened in 2013. ENDESA and Enel once again played an active role in Global Compact LEAD, the corporate sustainability leadership platform developed by the UNGC in 2011 comprising the 53 companies with the best sustainability performance committed to implementing the "Blueprint for Corporate Sustainability Leadership", a programme that encompasses 50 specific initiatives aimed at making sustainability an integral part of the business model. Specifically, in



ORGANISATION DE
COOPÉRATION ET
DE DÉVELOPPEMENT
ÉCONOMIQUES



Since it launched the initiative, the Company has reaped benefits from its voluntary adhesion to the UNGC, considering this a valuable tool to further integrate sustainability in all of the Group's management areas and companies, reinforcing ENDESA's firm commitment to principles of sustainability. This performance has been viewed positively by our stakeholders, as well as sustainable investment funds and sustainability rating agencies. This helps encourage dialogue and collaboration between all the social agents, for which the Global Compact is a highly useful tool. Moreover, by belonging to the UNGC, ENDESA is able to share experiences with other companies committed to sustainability, secure in the knowledge that it is doing so within the framework of an internationally-recognised framework backed by the United Nations.

2013 ENDESA continued to play an active role in the working group for indigenous people, "Engagement with Indigenous People" which, at the UN Global Compact Leaders Summit held in New York as part of the 68th session of the UN General Assembly, presented the *Business Reference Guide to the UN Declaration on the Rights of Indigenous Peoples*. ENDESA helped draft the guide and contributed graphic material on its projects, and was also a member of the team of experts that reviewed the final document. ENDESA also contributed the work of Fundación Pehuén, a foundation set up with the aim of supporting and promoting the rights of indigenous peoples in Chile, to the appendix of good business practices published.

ENDESA also continued to develop several Global Compact initiatives, such as *Caring for Climate* or *Women's Empower-*

ment Principles (WEPs). Along these lines, in 2013 ENDESA took part in the *Gender Equality for Sustainable Business: 5th Annual Women's Empowerment Principles* event organised by UN Women and the Global Compact in New York, where it had the opportunity to share the Company's progress in its firm commitment to equality in the areas of business, government and civil society in general.

At regional level, ENDESA is a founding member of the Regional Global Compact Centre for Latin America and the Caribbean. ENDESA also attended the III Latin America and the Caribbean Global Compact Business Forum, held in Medellín, Colombia, at which it shared the new Human Rights Policy approved by the Enel Group in 2013, along with the mechanisms intended to implement the policy in the region.

Locally, ENDESA maintained a strong commitment to all the local Global Compact networks in the countries where it operates, carrying out different roles in the corresponding executive committees and participating actively in the various initiatives conducted. Noteworthy was the Company's active involvement in the consultation conducted by the Global Compact in Spain local network on how businesses can contribute to the UN agenda for the post-2015 development framework once the MDG targets expire. The contributions by ENDESA, along with other Spanish companies, were included in the joint report submitted by the WBCSD (World Business Council for Sustainable Development) and the Global Compact to the UN Secretary-General's High-level Panel set up to advise on the development framework beyond 2015.

In Colombia, Emgesa and Codensa was actively involved in various working groups of the Global Compact in Colombia local network in 2013. Highlights included the Human Rights group, which presented the "sello de equidad laboral" (equal employment opportunity seal) by the Labour Ministry, the High Office of the Presidential Adviser on Equality for Women and the UNDP. Codensa and Emgesa joined the pilot project designed to reduce gender discrimination in the workplace. The two companies also signed up for the "Business for Peace" initiative, which aims to expand and deepen private sector action in support of peace.

Also in Colombia, ENDESA participated in the round table on the eradication of child labour to promote the adoption of best practices to eradicate this type of labour and promote the rights of children in Colombia. In this respect, ENDESA in Colombia supported the Global Compact in Colombia local network initiative called "Aquí estoy y actúo" (here and involved), aimed at:

- Raising awareness among employees of the responsibilities of businesses and professionals to eradicate child labour.
- Encouraging the creation of internal teams in companies to oversee execution of a voluntary plan of continuous improvement in eradicating child labour.
- Providing tools and guidance for preventing child labour in any activity (including suppliers and supply chains).
- Assessing companies using a model that classifies their actions and promotes progress through an appropriate commitment to improvement.




Codensa and Emgesa conducted self-assessments in 2013. The results were used to draft an action plan that will be carried out in 2014.

ENDESA also played an active role in Colombia in the "Caring for climate" initiative and participated in the III Global Compact Congress, at which it presented the Family Friendly Company (FFC) certification.

In Argentina, Edesur was chosen by the local network of the Global Compact to preside over the Management Board for the 2013-2015 period. This is second time the company has held this position, making it a benchmark in sustainability in that country. Meanwhile, Hidroeléctrica El Chocón will have a seat on the Management Board of the Argentina local network for the first time, as an alternate member.

ENDESA plays an active role in the Global Compact local networks and regional network in Latin America

Compliance with the Global Compact, GRI and Millennium Goal Indicators

			
Global Compact Principles	GRI indicators (direct relevance)	GRI indicators (indirect relevance)	Millennium Development Goals
Initiatives planned in 2013			
HUMAN RIGHTS			
Principle 1. Businesses should support and respect the protection of internationally proclaimed human rights.	HR1-9	LA4, LA13, LA14, SO1	Goal 1: Eradicate extreme poverty and hunger. Goal 2: Achieve universal primary education. Goal 3: Promote gender equality and empower women. Goal 4: Reduce child mortality. Goal 5: Improve maternal health Goal 6: Combat HIV/AIDS, malaria and other diseases. Goal 7: Ensure environmental sustainability Goal 8: Global partnership for development
Principle 2. Businesses should make sure that they are not complicit in human rights abuses.	HR1-2, HR8		
LABOUR STANDARDS			
Principle 3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.	HR5, LA4, LA5		Goal 2: Achieve universal primary education. Goal 3: Promote gender equality and empower women.
Principle 4. Businesses should uphold the elimination of all forms of forced and compulsory labour.	HR7	HR1-3	
Principle 5. Companies should uphold the abolition of child labour.	HR6	HR1-3	
Principle 6. Businesses should uphold the elimination of discrimination in respect of employment and occupation.	HR4, LA2, LA13, LA14	HR1-2, EC5, EC7, LA3	
THE ENVIRONMENT			
Principle 7. Businesses should support a precautionary approach to environmental challenges.	4.11	EC2	Goal 7: Ensure environmental sustainability
Principle 8. Businesses should undertake initiatives to promote greater environmental responsibility.	EN2, EN5-7, EN10, EN13-14, EN18, EN21-22, EN26-27, EN30	EC2, EN1, EN3-4, EN8-9, EN11-12, EN15-17, EN19-20, EN23-25, EN28-29, PR3-4	
Principle 9. Businesses should encourage the development and diffusion of environmentally friendly technologies.	EN2, EN5-7, EN10, EN18, EN26-27		
FIGHT AGAINST CORRUPTION			
Principle 10. Businesses should work against corruption in all its forms, including extortion and bribery.	SO2-4	SO5-6	

Endesa Chile was a member of the Executive Committee of the Global Compact in Chile local network again in 2013. It was actively involved in the Environment Committee set up by the local network to identify best practices and develop approaches to serve as a guideline for Chilean companies to comply with the Global Compact's environment principles. Meanwhile, Enersis took part in Chile's version of the "Aquí estoy y actúo" initiative, while Codensa and Emgesa participated in Colombian's version.

Endesa Chile and Enersis chosen as constituents of the new Global Compact 100 index

Endesa Chile and Enersis were also chosen as constituents of the first edition of the new Global Compact 100 Index created by the Global Compact and Sustainalytics to investigate the relationship between implementing the Global Compact's 10 principles and financial performance. This recognition shows how ENDESA's sustainability strategy is effectively transferred and implemented at regional and local levels, achieving excellent results.

Endesa Brasil is an active member of the Steering Committee of the Global Compact in Brazil local network, set up to encourage the Brazilian business community to adopt the UNGC's 10 universal principles into their business management. It participated in the annual Global Compact in Brazil Local Network meeting, at which it presented its sustainability best practices. The company is also an active member of the Environment and Education working groups, set up to support dialogue and debate as a means of further advancing implementation of the 10 principles. Specifically, Endesa Brasil was a major contributor to the

organisation of the "El reto de construir un liderazgo sostenible" (the challenge of building sustainable leadership) conference held in Fortaleza designed to raise awareness among businesses and university directors about the crucial role leaders play in the integration of sustainability into business management.

In 2013, ENDESA, Enel and eight subsidiaries in Latin America (Endesa Chile, Chilectra, Endesa Brazil, Coelce, Ampla, Cachoeira Dourada, Endesa CIEN and Endesa Fortaleza) achieved GC advanced level, the highest category awarded to progress reports detailing the advances made each year for companies implementing the 10 principles of the Global Compact. Advanced level is awarded to those companies who demonstrate a high level of sustainability performance and which adopt and report on a range of sustainability strategy, governance and management practices. Therefore, ENDESA and its subsidiaries have renewed their commitment to this initiative to move forward in compliance with the principles of the Global Compact.

ENDESA and its eight subsidiaries in Latin America have renewed their advanced level in the Global Compact

ENDESA will continue to uphold its commitment to the Global Compact and to the United Nations's targets as it considers that these institutions provide efficient tools to heighten the positive impact of the individual initiatives undertaken by companies and inspire other players to work towards achieving sustainable development, enabling balanced and respectful advances in human rights, the environment and society in general.

6. Protection of Human Rights

ENDESA has an ongoing commitment to respect and protect human rights. This commitment is reflected in the Company's mission, vision and values and evidenced in its adherence to the UN Global Compact, which advocates support and respect for the protection of human rights and the intolerance of any breach of these rights in its first two principles. This commitment was once again expressly and publicly ratified at the 60th anniversary of the Universal Human Rights Declaration when ENDESA, together with another 156 global companies, took part in the "Declaration of CEOs" published in all international editions of the *Financial Times* on 10 December 2008.

The text included was as follows: *"On the occasion of the 60th anniversary of the Universal Declaration of Human Rights, we, business leaders from all corners of the world, call on governments to implement fully their human rights obligations. We also reiterate our own commitment to respect and support human rights within our sphere of influence. Human Rights are universal and are an important business concern all over the globe"*.

The commitment adhered to by ENDESA is still in place six years after this declaration and both the Company's policy and successive sustainability programmes promote compliance with these principles, directly or through the value chain. *For more information, see the Chapter on "Commitment to our partners", 1.2. Global Compact and Code of Ethics (p. 191).*

Historically, ENDESA has been a trendsetter in initiatives to ensure respect for human rights in its activities and those of its supply chain, continually rolling out processes to identify risks and their potential impact in the area of human rights. For instance, in 2007, a process was undertaken to ensure the systematic compliance with the principles of the Global Compact which included an overall analysis of the risk of non-compliance with these principles in each country and a specific analysis of the real and potential impact of each company. This internal control and monitoring mechanisms included a country-risk analysis, an analysis of international benchmarks, an internal

compliance assessment, proposed corrective actions and subsequent verification.

At the same time, in relation to specific processes identified as critical, ENDESA takes extra care in assessing the real and potential impact of the Company's activities on human rights. Two initiatives, whose development continued in 2013, should be highlighted. These were aimed at improving the quality of the analysis of the real and potential impact of the Company's activities on human rights. First, in the development of new infrastructure projects, a procedure is being implemented to complement the large demands of the existing community relationship processes. In this respect, two pilot projects were conducted in 2013 to test the impact analysis methodologies. The idea is to approve a definitive procedure over the course of 2014 based on the analysis of the results of these tests. Second, in relation to another critical factor associated with the Company's activities on human rights, i.e. the coal supply chain, ENDESA, as part of the Enel Group, continues to participate in the *Bettercoal* initiative, designed to continuously improve corporate responsibility in the coal supply chain, improving business practices through stakeholder engagement and based on jointly-established standards. *For further information, see Chapter on Commitment to our partners, 5. Corporate responsibility in the coal supply chain (Bettercoal) (pg. 200).*

ENDESA's Board of Directors approved the Human Rights Policy in 2013

Today, as part of the Enel Group, the Company is deploying its Human Rights Policy to formally adapt this commitment to the new international framework established in 2011 through the report published by the Special Representative of the General Secretary for Human Rights and transnational companies, John Ruggie. A milestone achieved in 2013 was the approval, on 24 June, of the ENDESA Human Rights Policy by ENDESA's Board of Directors. As with the rest of ENDESA's policies, after the policy was approved it was presented to the various boards of directors of ENDESA subsidiaries on the

premise that to be effective the policies and strategies must be adopted at a local level. So far, the ENDESA Human Rights Policy has been approved by 16 companies and the extension of the policy is expected to be completed in early 2014.

ENDESA's Human Rights Policy sets out the Company's commitment and responsibility in relation to human rights in general, and those applicable to the business activities and corporate operations carried out by ENDESA staff (both manager and employees) in particular. According, the policy contains the Company's commitments in the following aspects:

- Labour practices:
 - Reject forced or compulsory labour and child labour
 - Respect diversity and not discrimination
 - Freedom of association and collective bargaining
 - Occupational health and safety
 - Fair and favourable working conditions
- Communities and society:
 - Respect for the rights of communities
 - Integrity: zero tolerance of corruption
 - Privacy and communications

To apply the commitments contained in the Human Rights Policy, ENDESA will design appropriate processes with due

diligence to ensure the policy is implemented and monitored.

Throughout 2014, plans are to continue developing the Human Rights Policy and specifically to roll out the policy, with the proper diligence, in all countries where ENDESA has operations. This will entail a number of actions, such as including human rights indicators in the corporate country-risk analysis and implementing a systematic risk analysis process to identify potential impacts on human rights for the design of preventative, remedial and control actions.

ENDESA expressly condemns child labour and forced labour in its Code of Ethics, committing to rigorous compliance with international standards such as the UN Global Compact, with the aim of creating a working environment that is respectful of human rights in all the countries in which it operates. Furthermore, ENDESA extends this approach to all of its contractor companies, suppliers and business partners.

No complaints referring to human rights issues were submitted in 2013 and no incidents occurred that affected human rights among indigenous communities. Throughout the year, the Company continued to work with the indigenous communities affected by the Neltume hydroelectric project in order to encourage constructive dialogue and engage the communities so actions could be planned to support and preserve their culture and customs. *For further information, see section 7.2. Neltume Hydroelectric Project in this chapter.*

7. ENDESA and its stakeholders

Knowing stakeholders' expectations is a cornerstone of ENDESA's sustainability strategy. In line with its sustainability policy, the Company aims to incorporate these expectations in a structured manner and in alignment with its strategy.

This approach is intended to identify drivers which will make safe, sustainable and competitive energy models viable, and to develop innovative, exhaustive and pioneering approaches to anticipate events, manage risks and seek differentiation.

Although the Company has been developing mechanisms to include the opinions of stakeholder groups since the late 1990s, the process was first systematically applied and extended to all areas in 2007, as part of the development of the ENDESA 2008-2012 Sustainability Plan.

Different stakeholder groups were consulted with a view to establishing priorities for the design of responses to be included in the ENDESA Sustainability Plan. The consultations helped us identify key sustainability issues for our stakeholders and their importance for pursuing business goals, and allowed us to evaluate perceived performance.

Over the past year, progress has been made in managing the Company's relations with stakeholders, enabling ENDESA to maintain the level of excellence achieved in this respect, as well as to shift our future report to the new sustainability reporting requirements set out in the new GRI-G4.

For instance, in the G4 guidelines, the principle of materiality forms part of the basis of the new report, moving from a quantitative approach based on indicators (G3) to a qualitative approach based on materiality (G4). The basic parameters of the new report will be as follows:

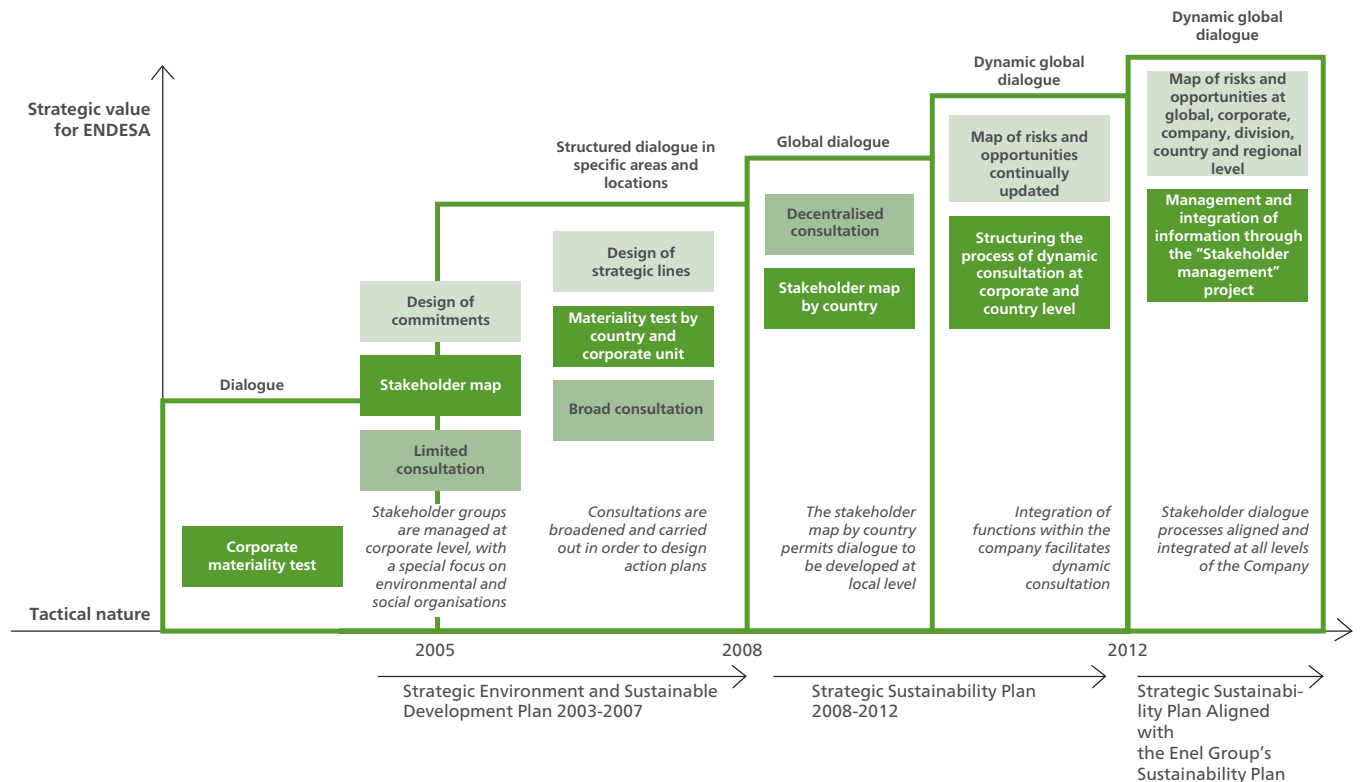
- The text of the new report will only include the indicators considered material due to their influence on decisions of stakeholders, the significance of the impacts and the geographical location where the aspect is material.

- The organisation should disclose the process for identifying material aspects and their boundaries, which is key to preparing robust reports.

In 2013, the Company made progress in implementing the tools and procedures required to undertake the change of vision and focus, expanding the existing stakeholder management framework through three main actions:

1. The Stakeholders Management Project, a tool to detect, identify and segment stakeholders that allows the Company to:
 - a) Map stakeholders by category and level (e.g. by type, country, company).
 - b) Measure not only of stakeholder influence or dependency, but the time frame of the engagement and the need for attention at all levels.
 - c) Target messages and the stakeholder engagement model according to the map of the scope of the strategy (global, country, local)
 - d) Draw up action plans based on materiality.
2. The compilation of the relevant internal, external and industry information generated from the various stakeholder dialogue tools.
3. The integration, consolidation and analysis of information using the Materiality Monitor tool (pilot). Detection of material aspects and boundaries.

Both ENDESA's and the Enel Group adopt a global approach regarding stakeholders. In this respect, ENDESA has identified the concerns of its stakeholders in all countries in which it operates. In the analyses conducted in 2013, ENDESA continued to establish a solid process of dialogue with leading individuals within the field of sustainability in all countries where it operates with a view to identifying areas for improvement and understanding the key challenges the Company faces, and integrating these into its management models.



ENDESA has conducted several internal and external opinion polls via questionnaires, telephone interviews, focus groups, detailed interviews, benchmarking actions, analysis of media presence, etc. and responded to and maintained fluid relations with the leading analysts responsible for creating the most relevant sustainability indices in the world.

"ENDESA has achieved the highest score in the "Stakeholder engagement" section of the Dow Jones Sustainability Index" for the fourth year in a row

The Company's focus on steady and fluid dialogue with stakeholders once again earned recognition from socially responsible investment analysts. In 2013, ENDESA achieved a score of 92 out of 100 in the 'Engagement with Stakeholders' section by the SAM agency (Sustainable Asset Management) responsible for assessing companies electing to join the Dow Jones Sustainability Index. ENDESA has main-

tained a steady trend in this respect over the past five years, achieving a level of excellence and the highest scores in the last four years.

The strengths identified by analysts were as follows:

- The existence of policies and procedures ensuring that the stakeholder management strategy is applied to all operations.
- Responsibility for stakeholder management at the highest level.
- Quarterly reporting to the Board of Directors on stakeholder management issues.
- Accessible whistle-blowing channels to local stakeholders.
- Use of stakeholder maps as tools at local level, differentiating key stakeholders.
- Existence of performance indicators to measure and report on local stakeholder management actions.

Stakeholder management at ENDESA

An approach to management based on the most advanced principles

Over the last few years, ENDESA has brought its stakeholder management approach into line with the AA1000 APS standard.

The aim of this standard is to guide organisations in the strategic management of their engagement with stakeholders, based on the correct identification of these stakeholders (principle of inclusivity), prioritising the issues that merit particular attention from the Company (principle of materiality) and designing a response (principle of responsiveness) to the expectations of greatest value for the Company and the community it serves.

In this respect, the Company has carried out:

- a) More accurate identification of the Company's stakeholder map (principle of inclusivity).
- b) Implementation of the mechanism to dynamically assess and prioritise material aspects in different areas (principle of materiality).
- c) Standardisation of response process, as well as the inclusion of information compiled in consultation with strategic plans, and specific communication on sustainability (principle of responsiveness).

a) More accurate identification of the Company's stakeholder map

Planning for the ENDESA 2008-2012 Sustainability Plan began with strategic reflection to identify the key factors be-

hind the Company's sustainability performance. Within this context, extensive work was undertaken to identify and understand the expectations of ENDESA's main stakeholders with regard to the Company's sustainability commitments.

This first attempt to draw up a map of stakeholders involved the following steps:

- An analysis of ENDESA's prior positioning on sustainability issues. Detailed studies of DJSI, Storebrand, EIRIS and SiRi rankings, and general surveys such as press reports and positioning in advertising campaigns.
- Expectations of key external and internal stakeholders and opinion leaders. In-depth interviews with opinion leaders, including experts in sustainable development and journalists specialising in sustainability issues.
- Expectations and opinions of ENDESA employees. In-depth interviews with members of ENDESA's management and the Sustainability Group members and field studies in different regions and countries.
- Public opinion and expectations. Opinion surveys among the wider public and customers in Spain and Latin America.

Global, dynamic and integrated dialogue with stakeholders through the Stakeholders Management Project



This activity, included in the "ENDESA stakeholder management framework", has become a fundamental part of the Company's strategy regarding its relationship with stakeholders.

Also in 2013, the process began to align the "Framework for engagement with shareholders" of ENDESA with the Holding Stakeholders Management project.

The aim was to complement the existing engagement approach with new tools to identify, in a flexible and structured way, their different expectations at all levels (local, country, division, global) and integrate these into the sustainability strategy and approach.

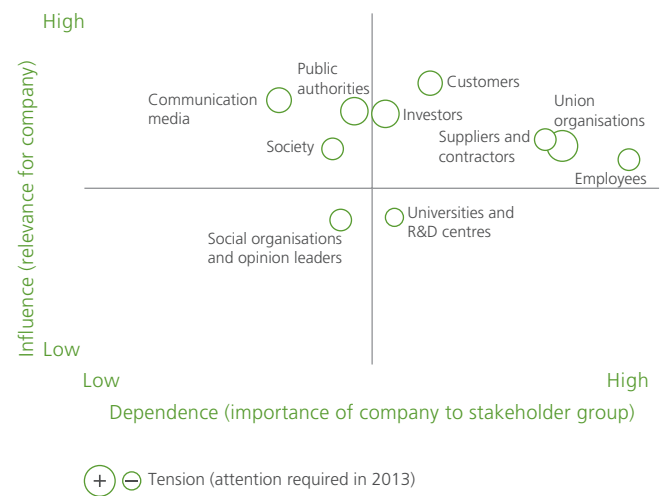
In 2013, the heads of each unit in charge of ensuring that dialogue is conducted correctly at ENDESA reviewed, identified and classified the various stakeholder groups at local, national and international level. To do so, they used the Stakeholder Management approach set out in the AA1000SES standard. As a result, 10 ENDESA stakeholder groups were placed on the map in accordance with three variables:

- **Dependency:** groups or individuals who are directly or indirectly dependent on the organisation's activities, products or services and associated performance.
- **Influence:** groups and individuals who can have impact on the organisation's or a stakeholder's strategic or operational decision-making.
- **Tension:** groups or individuals who need immediate attention from the organisation with regard to financial, wider economic, social or environmental issues.

The combination of the three factors establish the stakeholder's relevance, guiding and prioritising its involvement in the identification of the material aspects and the response given to stakeholders in the Company's sustainability strategy.

This methodology is also applied in all countries where the Company operates, making it more detailed and therefore more useful for drawing up effective responses.

ENDESA stakeholder map - Main categories



In 2013, in addition to the mapping of stakeholder groups, existing dialogue channels were analysed, new dialogue and consultation strategies were designed and implemented, and opinions on performance were evaluated. These measures were all considered to be key to the Company's success, as:

- they improve the management of risks and opportunities
- they allow for the early identification of trends and material aspects.
- they boost credibility and confidence
- they help in decision-making processes
- they favour a more balanced and sustainable social development by involving society.
- they build synergies
- they unlock opportunities for improvement and business

ENDESA's segmentation of stakeholders was updated in 2013 on the basis of the opinions of the different areas of the Company consulted:

Stakeholder	Sub-group
Customers	General public
	Companies
	Large companies
	Consumer associations
Employees	Senior Management
	Managers
	People managers
	Other employees
	Employees with temporary agency contracts
	Interns
Union organisations	Early retired
	Union leaders (Latin America)
	Federations (Spain)
	State union sections (Spain)
	Union delegates (Spain and Latin America)
	Business committees (Spain)
	Employee representatives (Spain)
Communication media	Occupational risk prevention representatives and their counterparts in Latin America
	Printed general interest newspapers
	Printed press financial newspapers
	National printed press
	International printed press
	Local printed press
	General interest radio
	Financial news radio
	Online media
	National television channels
	Regional television channels

Stakeholder	Sub-group
Social organisations and opinion leaders	Think tank
	Individual experts
	Foundations
	NGOs
Administrations and regulatory bodies	Supranational administrations
	National administrations
	Regional administrations
	Local administrations
	Regulators
	Embassies
	Religious institutions
Universities and R&D and innovation centres	Public universities
	Private universities
	Business schools
	Vocational schools
	Research centres
Society	Society at large
	Business associations
	Environmental associations
	Other businesses
Investors	SRI
	Other investors
	Private investors
	Financial analysts
Suppliers and contractors	Large enterprises
	Medium-sized companies
	SMEs

b) Dynamic assessment

and prioritisation of material aspects: 2013

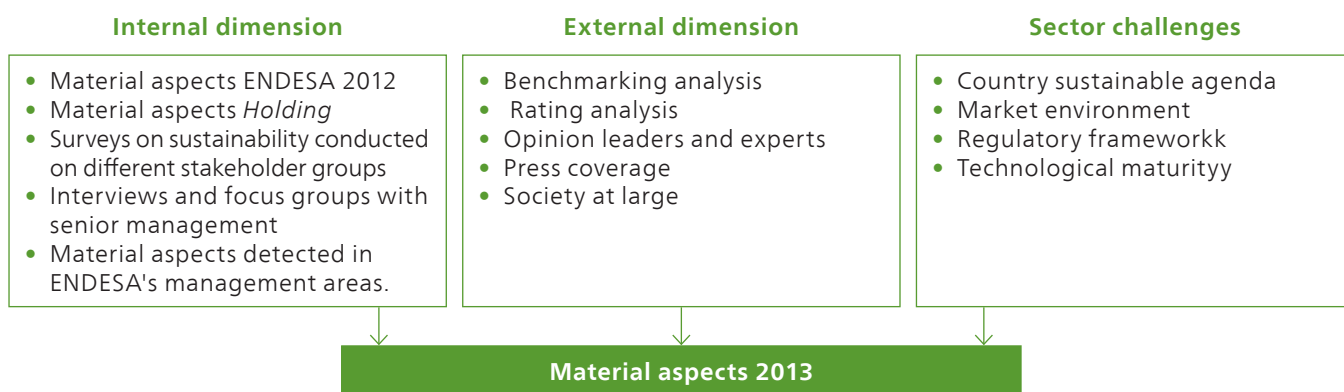
Materiality Study

The Company's permanent bidirectional communications channels with different stakeholders enables it to consistently monitor the materiality of different aspects for each stakeholder group.

In addition, with the rollover of the 2008-2012 Sustainability Plan for its future alignment with the Enel Group's Sustainability Plan, ENDESA carried out a series of actions in 2013 designed to assess the degree of overlap between the companies in this respect and trends in aspects affecting sustainability at corporate and social level in each country where ENDESA operates.

In this respect, the in-depth analyses conducted in 2012 were included, along with new internal, external and contextual contributions. A key point of these actions was to identify those aspects which, due to their degree of maturity or significance, would play a decisive role in 2013 and in the coming years. The identification of these issues is the basis for defining ENDESA's strategy for the next few years, as this must be focused on providing a satisfactory response to material aspects for the Company's stakeholders.

Therefore, the Company is able to combine the information on stakeholder expectations it obtains via ordinary channels with the results of specific analyses and new benchmarks, enabling it to identify the key challenges and main issues for each group in the areas of business and governance, the en-



environment and society. Also in 2013, a pilot test was conducted globally with the new Materiality Monitor tool, which will be fully operational in 2014. This tool allows information to be easily integrated, analysed, consolidated and prioritised to obtain the material aspects and boundaries at different levels within the Company.

The breakdown of the different actions carried out whose results were integrated to determine materiality is as follows:

Internal dimension

- **Review of material aspects included in the 2012 Sustainability Report:** Analysis of the material aspects identified, changes in their perceived relevance and the responses provided.
- **Review of material aspects in the Enel Group:** Analysis of the material aspects identified at the holding company level, the overlap with materials aspects at ENDESA and ENDESA's contribution in the response given.
- **Surveys on sustainability conducted on different stakeholder groups:** Analysis of the importance of sustainability attributes for the stakeholder and ENDESA's positioning in this respect. Recommendations for improvement by stakeholders.
- **Internal interviews with senior management and focus groups in all countries where we operate.** General business managers and regional managers in each country were interviewed, round tables were held with sustain-

ability committees and personal interviews were held with senior management. The objective was to identify significant and material aspects and the skills necessary within the organisation to address them and to analyse the degree of compliance with Sustainability Plan targets in order to respond to the expectations detected in the prior period.

- **Material aspects detected by ENDESA's management areas.** Analysis and consolidation of the information received through the tools and stakeholder dialogue channels used by the management areas (workplace environment survey, social networks, safety survey, corporate image barometer, customer survey, etc).

External dimension

- **Benchmarking analysis.** Review of the objectives included in the sustainability plans of different sector companies in Europe, Latin America and the US. Analysis of the sustainability strategies, policies and management models developed by the leading international market players and in the major Latin American markets: Peru, Colombia, Brazil, Argentina and Chile. The qualitative and quantitative objectives of each company were studied and compared to ENDESA's targets.
- **Analysis of ratings agency requirements.** Issues assessed by different observatories, specialist analysts, proxy advisors, and rating agencies (e.g. DJSI, Oekom, Vigeo, EIRIS, Observatorio RSE, etc.) have been analysed to identify issues of particular relevance, changes in relevance of specific issues and to assess ENDESA's perfor-

mance in comparison with its competitors and in absolute terms.

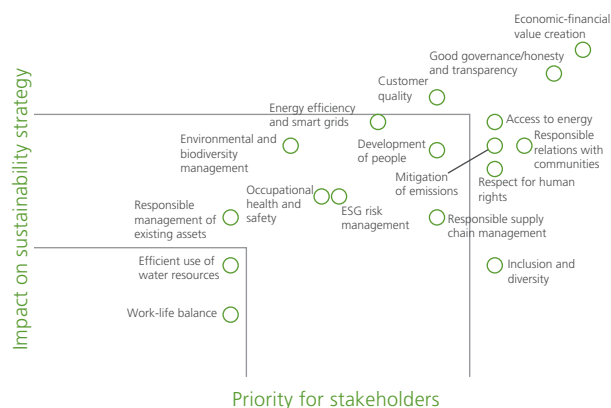
- **Interviews with sustainability and energy industry experts in Spain and Latin America.** A qualitative analysis was also carried out through individual interviews with experts and opinion leaders in Spain and Latin America. These included journalists, entrepreneurs, scientists and university professors, authorities and experts in the subject, association representatives, etc.
- **Review of the relevance assigned by the media to sustainability issues related to the electricity sector in general and ENDESA in particular, in all markets in which the Company operates.** Positive, negative and neutral mentions have been analysed in addition to the key topics appearing in the press relating to the energy sector in general and ENDESA in particular in order to identify the issues sparking the most interest and factors that are best perceived by the media.
- **Phone survey of 5,000 people in the Company's main markets.** A quantitative survey carried out to assess the relevance and awareness of different sustainability factors among the general public and assessment of the Company's performance compared to other enterprises in each country where ENDESA operates.

Sector challenges

- **Internal and external analysis of energy sector performance and trends.** The different possible scenarios have been studied and simulated in consideration of alternative regulatory and market contexts, etc. with the aim of creating a likely business scenario in which the sustainability strategy can be focused directly on business. Also considered where the Country Sustainability agenda, its degree of maturity, the market environment, the regulatory framework and the level of technological advancement of each country where ENDESA operates.

Changes in material aspects

The analysis described above produced a wealth of information concerning the materiality and relevance of different aspects and enabled the Company to file the conclusions thrown up in different categories.



The analysis allowed a review of the relevance of material aspects for the various stakeholder groups, as well as their impact and boundary within the Company's sustainability strategy. These aspects are reflected in the Sustainability Plan's seven commitments and challenges and shown in detail in the corresponding sections of each chapter of this report.

c) Standardising response processes, including information compiled in consultation processes for strategic plans, and specific communications on sustainability.

ENDESA's responses to the priorities expressed by its stakeholders are included in the Strategic Sustainability Plan. Each year, through the channels of engagement described, appropriate tactics are devised on both a corporate and country level. The plans, developed both at ENDESA level and at the level of the different countries where it has operations, are aligned with the Enel Group's main challenges and strategic projects. Through these plans, the Company's response is strengthened and applied uniformly in all geographical areas to establish robust objectives and work programmes that better respond to the monitoring indicators in place.

Meanwhile, a procedure has been devised that allows ENDESA's various business areas to carry out regular risk and opportunity assessments for the issues detailed in its sustainability commitments. This procedure establishes replicable assessment criteria, enabling the Company to identify and assess information relevant to decision making in a thorough, balanced manner. The goal is to generate tangible and comparable results and to incorporate these into its strategic planning.

To identify the key social and environmental expectations for stakeholders ENDESA uses different channels depending on the group in question. Furthermore, the aim is to supplement established channels at the Company with analysis tools to reinforce and give consistency to the Company's engagement with stakeholders. The procedure, therefore, aims to identify the following factors for each stakeholder group:

- General perception of ENDESA's sustainability commitments.
- Assessment of key aspects of sustainability issues.
- Assessment of the Company's performance.
- Identification of areas to improve.

7.1. Engagement with communities involved in the El Quimbo project

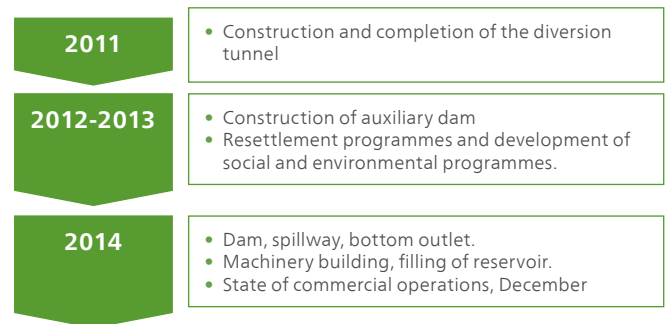
The El Quimbo hydroelectric plant is ENDESA's largest project in Colombia; it will supply 5% of the country's demand. Together with the Betania plant, also located in the Hulia area, the Company will supply 8% of the country's energy demand from this region, for an estimated investment of USD 837 million.

El Quimbo is not only an energy generation initiative, but also a social and economic development project for the country, since during its construction and subsequent operation, it will provide significant economic resources for industrial and commercial enterprises. Due to enter into operation in December 2014, this hydroelectric plant will

raise the energy security and stability of the Colombian electricity system.

El Quimbo will have installed capacity of 400 MW and generate close to 2,216 GWh/year. It will cover an area of 8,536 hectares, over six municipal areas.

Stages of the El Quimbo project



7.1.1. Socio-environmental management plan

During the execution of the social-environmental management plan of the El Quimbo Hydroelectric Project in 2013, significant progress was made to the benefit of the communities in the area of influence of the project. Emgesa implemented measures to compensate the resident population and each family defined, in conjunction with a social team from the Company, the option that afforded the greatest benefits and, accordingly, improved their quality of life and enabled them to build a future of progress.

To do so, it drew up a detailed plan with the communities defining the sites for the community resettlements. The Escalereta (Agrado) community will resettle in the village of Llanos de la Virgen (Altamira), the San José de Belén (Agrado) community in village of La Galda (Agrado), the Balseadero (Garzón) community on the Santiago y Palacio (Garzón) sites and the Veracruz (Gigante) community on the Montea (Gigante) site.

Emgesa acquired the necessary land to build the homes, designed the cluster groups, and divided the land into plots on three properties, while the communities approved the model homes and designs. The main achievement in 2013 related to the signing of conciliation agreements, with 64.4% of the total now signed.

Emgesa will deliver the new settlements to the communities once construction of the necessary infrastructure is complete. They will have basic services (drinking water, power and waste water treatment), a social infrastructure similar to what they have at their current homes and a gravity-fed irrigation system for crops.

During the year, Emgesa resettled 10 new families individually, taking the total to 18. The families received a 5 hectare plot and a 100 m² home, technical assistance on how to implement an agriculture and livestock production plan to recoup household income and psycho-social help to adapt to the new environment.

The company also paid monetary compensation to an additional 59 families, who decided not to accept the resettlement, taking the total to 172.

The company is also committed to finding jobs for those who worked the land acquired for construction of the project. Compensation in the form of seed money was given to 525 new families, up 71.9% from 2012. This allowed the beneficiaries to acquire skills and carry out production projects.

Under the scope of the commitments assumed in the conciliation meetings over the construction of the El Quimbo Hydroelectric Project, Emgesa continued to invest funds in projects in the six towns in its direct area of influence (DAI). Emgesa earmarked 16.5 billion Colombian pesos for the fiduciary fund, of which 7,252,077,287 had been disbursed at December 2013 and 5,638,884,321 used.

In 2013, in the town of Paicol, a pedestrian street was built for the Luis Edgar Durán Ramírez learning centre, while sound equipment and furniture were delivered to 24 community action committees. In Agrado, social interest housing was co-financed for 90 families together with the Fonvihuila Social Interest Housing Fund, the town council and the owners. In Altamira, the La Guaira village sports facility was built. In Gigante, construction machinery (dumper and digger) was supplied and maintenance performed on the internal road network. In Garzón, a topographic station was furnished, 60km of tertiary road upgraded, funds for Christ-

mas lights given and a project to reinforce the coffee culture carried out.

7.1.2. Communication management

In 2013, work continued on the El Quimbo Hydroelectric Project communication plan, entailing the generation of news from internal sources, administration of communication channels for stakeholders and execution of the institutional outreach agenda with a view to sharing the main social, environmental and technical achievements and events.

7.1.2.1. Institutional outreach

The Project's agenda was busy during the year. In addition to monthly meetings with national and regional stakeholders, spaces were set up for important work and dialogue regarding project execution and for monitoring with the Huila government, with the help of the mayors from the towns in the Project's DAI, environmental authorities, control bodies and Company representatives. A total of 12 meetings were held in 2013.

Meanwhile, a governance agreement was entered into between the Presidential Programme on Human Rights, the Huila government and Emgesa designed to generate spaces for dialogue where disputes can be resolved and agreements built that benefit all the parties involved.

The programme of guided tours to the project with various stakeholders (communities, authorities, business associations, the church, students, employees) was strengthened. There was total of 59 trips to the project in 2013 in which more than 1,100 people visited the construction site and saw first-hand the progress made.

7.1.2.2. External Communication of the El Quimbo Project

Efforts continued to enhance relations with the media and produce news internally, not only through the issuance of

press releases, but also visits to the construction site, production projects of El Quimbo beneficiaries and meetings with reporters.

In 2013, there were 14 press releases issued, three visits to success stories of project beneficiaries and three guided tours to the construction site with regional and national reporters.

7.1.2.3. Communication channels

The project's communication channels with stakeholders were reinforced to add information tools on key developments in the execution of El Quimbo with a regular frequency.

- **Digital newsletter:** monthly bulletin sent via email to more than 800 contacts including the key social, environmental and technical highlights. 11 bulletins were distributed by the end of the year.
- **Website:** a space for consultation and information, with an average of 4,000 monthly visits in 2013. Most consultations related to information about local jobs and hiring.
- **Radio programme:** *La Buena Energía de El Quimbo*: the programme continued its bi-weekly schedule and was broadcast on 14 regional networks. The structure of the programme changed in the fourth quarter of 2013 to promote five 3-minute news segments in order to increase the frequency of the project's appearance in the media, as well as to ensure the recall of the main events and progress of the project each week the programme is broadcast.
- **Social networks:** The official @ProyectoQuimbo Twitter account had 500 followers at the end of 2013, with more than 2,700 tweets published. The official YouTube channel ended the year with 11 videos uploaded on the project's progress, with more than 5,800 plays.

- **Printed press:** The print run for the bi-monthly newspaper was increased to 1,200 copies in 2013. The paper is distributed mainly to communities, authorities, control bodies, municipal administrations and employees.

- **Handling questions, complaints and claims:** Emgesa continued to provide services to the community through two permanent offices in the towns of Gigante and Garzón. In addition, a mobile office began operating in 2013 to provide information to and answer questions from the communities in the project's DAI at their homes, thereby overcoming transportation problems. During the period, 628 people were attended at the Gigante and Garzón offices and 1,523 in the mobile office.

- **Briefings:** Briefings, targeting community leaders and representatives, are conducted to raise awareness about the project and answer questions. In 2013, briefings were conducted for all the communities in the DAI, addressing social, economic and infrastructure-related topics.

7.1.3. Addressing social conflicts

A number of conflictive situations arose in community relations with Emgesa in 2013, resulting in shut downs, land invasions and social unrest in some villages of the six towns in the project's DAI.

Certain roads were cut off, blocking access to the areas of the project, while land acquired for community resettlements or property already owned by Emgesa were invaded, and certain technical and social actions included under the project could have been prevented from being carried out.

Applicants were provided appropriate responses based on a fair analysis of the documents presented. However, members of communities that were excluded from compensatory measures expressed their disagreement and carried out actions to pressure Emgesa.

Some of the invaders were groups of inhabitants, particularly those not counted and/or non-owner residents who took over areas or refused to give up the sites as a means of applying pressure for their inclusion in the census. After legal proceedings were initiated and/or the social team stepped in, agreements were reached with this population group.

Other invaders took control of the land to benefit financially from raising livestock or planting crops without the company's authorisation. In some cases, agreements were reached after requests for injunctions were received and the land was handed over voluntarily.

Another group of invaders which took over sites to exert pressure on the construction of the project, backed by one of the anti-construction organisations, occupied the land earmarked for community resettlements in Llanos de la Virgen, Montea and Santiago Palacio. Eviction proceedings were launched as a result of these invasions, and the invaders were removed.

By the end of 2013, Emgesa had removed all the trespassers. In November, accompanied by the spokeswoman for Colombia's Vice President's office for Human Rights and other government control bodies, the invaders of the La Honda y Montea (Gigante) site gave up the land voluntarily and peacefully, with Emgesa promising to review each application individually.

In October and November, with the help of the control bodies, eviction proceedings began for the Santiago y Palacio (Garzón) and Llanos de la Virgen (Altamira) sites. The land was handed over voluntarily. All the land required to proceed with the community resettlements and adaptation of the reservoir were freed.

7.2. Neltume Hydroelectric Project

The run-of-the-river hydroelectricity project, situated in Neltume in the community of Panguipulli in the Los Ríos region, is part of Endesa Chile's "early insertion" strategy. Since 2007, information points have been set up in towns surrounding the project area, while open houses were carried out over

a period of three months in 2011 as part of the citizen involvement and relationship plan for the area. These initiatives provided residents in the area with information on the background to the project.

An information office in Neltume is currently open. Through it, the company deals with civil institutions, community organisations and authorities in its endeavours to reach agreements over the compensation that needs to be paid to the affected parties. Meanwhile, a series of meetings were held with government authorities in 2013, specifically with representatives of the (national and regional) Environmental Assessment Service, to improve relations between the two and explain the company's willingness to increase the funds earmarked for compensation of the indigenous communities affected by the project. The overriding goal was to strike a deal with the communities participating in the consultation process under the framework of Convention 169 of the ILO.

Consultation with indigenous peoples

Neltume is Endesa Chile's first project to be submitted for consultation with indigenous peoples. The "early insertion" of the communities began in 2006. The objective was to establish communication with the indigenous communities and present the technical features of the project before developing a design that takes into account feedback by the community, in line with the *Design Mitigating* approach adopted by Endesa Chile in carrying out its generation projects. The objective of "Design Mitigating" is to have a project that incorporates all the necessary improvements from the outset in order to minimise environmental impact and bridge the gap between the company and social acceptance of the project.

On 29 April 2013, the Los Ríos Environmental Assessment Service (SEA) issued Exempt Resolution No. 002, calling for a consultation with indigenous peoples in accordance with the standards set out in ILO Convention 169 under the framework of the environmental assessment of the "Neltume Hydroelectric Plan" on the indigenous communities, peoples and human groups within its area of influence and vulnerable to it. In the same Resolution, the SEA stated that a consensus be reached over the sched-

ules, mechanisms and scopes of the consultation process with those indigenous communities, peoples and groups. These are:

- The Juan Quintuman indigenous community, Neltume Lake sector.
- The Inalafquen indigenous community, Neltume Lake sector.
- The Valeriano Callicul indigenous community, Neltume Lake sector.
- The Inocente Panguilef indigenous community, Tranquil sector.
- The Colotúe indigenous community, Tranquil sector.
- The Lorenzo Carimán indigenous community, Tranquil sector.
- The Triwecuicui indigenous community, Paillahuente sector.
- The Manuel Curilef indigenous community, Paillahuente sector.

The SEA met with each community, gave them an overview of the indigenous consultation and asked them to appoint a representative for meeting under the framework of Stage 2 of the Consultation.

7.2.1. Management focus in 2013

During the year, work proceeded with the communities and town located near the Neltume project under the framework of activities with the Puerto Fuy, Neltume and Choshuenco working groups and the Juan Quintuman and Valeriano Callicul indigenous communities.

The main activities carried out by the working groups were:

- Development of fundable projects that benefited 51 social organisations and 30 local entrepreneurs, for Euros 130,821.

Endesa Chile kept its information office in Neltume where families in sectors near the project could request information about the project and the various programmes to be carried out in the different areas.

Community projects funded by the company are designed to improve the quality of life of the families located in the areas affected through working groups set up in the area. The company's contributions in 2013 focused on two areas: resolving issues or meeting the needs of formally constituted social organisations with legal status (existing) and supporting local productive initiatives of natural persons, promoting their growth as SMEs. Investments were made in the following areas:

- Social support: 28 projects
- Arts and crafts: 1 project
- Trade: 6 projects
- Trade/Tourism: 4 projects
- Education: 3 projects
- Community facilities: 11 projects
- Community infrastructure: 3 projects
- Church Infrastructure: 5 projects
- Services: 8 projects
- Tourism: 12 projects

7.2.2. Energy for Education

This initiative is part of the Company's ongoing strategy aimed at providing resources to improve the quality of education at schools located near centres of operation and projects. Since 2007, Energy for Education has supported a number of initiatives at the Neltume (Tierra Esperanza y Francisco de Asís school), Puerto Fuy (Lago Azul school), Choshuenco (La Rinconada y Rural Punahue school) and Juan Quintumán community (Rural Lago Neltume school) establishments to improve the installations, provide teacher training, set up laboratories, libraries, etc.

Thanks to joint efforts, 940 students were given travel assistance, for a combined Euro 60,556.

7.3. Punta Alcalde Project

Efforts in 2013 to engage parties in the project mainly entailed demonstrating its characteristics, highlighting the project's high environmental and efficiency standards considered in all stages of development.

The company also strived to resolve doubts and concerns and meet the demands of the population regarding the project in order to assess the economic, environmental and social risks.

In this respect, the company highlighted the social benefits of the Punta Arcade project:

- Promotion of the local economy through increased demand for services (e.g. food, lodging, construction and transportation).
- Creation of local job opportunities during the construction phase.
- Development of local employment and trade programmes.
- Improvements to southern coastal access to the Huasco commune.

In addition, pursuant to regulatory compliance with environmental assessment standards, the company carried out civic participation processes in the Huasco commune and the towns of Freirina, Maitencillo and Caleta Los Bronces.

Endesa Chile works constantly on updating the registry of the social, regional and functional organisations in the Huasco and Freirina communes in the project's area of influence in order to communicate with them more efficiently.

7.4. The Bocamina Project

In 2008, in addition to construction work on the second unit at the Bocamina thermal plant located on the coastal border of the urban area of the Coronel commune (Biobío region) commissioned in 2012, Endesa Chile began relocating the families affected by the project under the agreements reached with the various organised groups, supporting the community in endeavours to improve their quality of life and surroundings.

In 2013, Endesa Chile participated in working groups with social organisations, the town and government, promoting public-private solutions to the various issues surrounding the project.

On 19 November 2013, a notarized agreement was entered into setting out the terms of the relocation process and the related housing programme with the El Esfuerzo population. To reach this agreement, Endesa Chile worked together with the families involved, housing sector authorities, the town council and the companies chosen to carry out the construction and infrastructure works.

In addition to buying the land and carrying out the housing projects, Endesa Chile's support included relocating the families' assets and providing legal advice on registering the deeds of ownership of the land, etc. So far, a total of 448 families have been relocated.

7.5. ENDESA and social networks

In 2013, ENDESA continued to expand its presence on the social networks, achieving an increasing number of followers on its existing channels on Facebook, Twitter and YouTube.

A procedure was developed to provide information about programmed supply interruptions via Twitter (@endesainforma).

A proposal was made for an Institutional Channel in social networks in 2013. Production of the channel began during the year for its launch in the first quarter of 2014. Based on *crowdsourcing*, the channel seeks to promote and share ENDESA's innovation with society.

8. About this report

Aims of the Report

This is the thirteenth ENDESA Sustainability Report. It aims to provide readers with an accurate, balanced and comprehensive view of the Company's performance in issues related to its Sustainability Policy. This report is complemented by other annual reports issued by the Company, including the Operations Review, Legal documentation, and the Corporate Governance Report, and by the contents of the "Sustainability" area on the ENDESA website (www.endesa.com).

Report Boundary

ENDESA keeps a corporate record permanently updated with information on all its stake holdings, whether direct or indirect, as well as details of any company it may be able to exercise control over. This corporate record is overseen and updated in accordance with procedures governed by the corporate regulation "ENDESA Corporate Records Management".

ENDESA's consolidation scope is determined monthly by the Economic and Financial Department, based on the information available in the Corporate Records, in accordance with the criteria stipulated by International Accounting Standards (IAS) 27, 28 and 31, under SIC 12 and other local accounting regulations.

The information contained in this report corresponds to ENDESA, S.A. and its investees in the Iberian Peninsula (Spain and Portugal), Latin America (Chile, Argentina, Brazil, Colombia and Peru) and other countries (Morocco).

As a general rule, for environmental data, 100% of those facilities majority-owned by ENDESA are included and where it therefore controls operations. Data are also included for certain facilities which are not majority-owned and for which the percentage owned is reported. These include nuclear power stations, the thermal power station at Pego (Portugal), and the combined cycle plant in Atacama (Chile).

Data for employees refers to companies managed by ENDESA and investees in countries where it operates.

In the area of safety, data are included for the employees of companies majority-owned by ENDESA and where it is therefore responsible for operations.

Information concerning social programmes relates to the activities of ENDESA, its foundations and subsidiaries in Spain, Portugal and Latin America.

The Report indicates individual cases where the boundary of the information differs from the above criteria. This document has been prepared in accordance with the G3.1 Guidelines of the Global Reporting Initiative (GRI), issued in 2010. However, during the year the Company made progress on managing its relations with stakeholders, enabling it to shift the future report to the new sustainability reporting requirements set out in the new GRI-G4 guidelines.

The report also includes the specific Electric Utilities Sector Supplement from the GRI and all the principles of the AA1000 APS standards (2008).

The AA1000 APS standard is intended to guide organisations when identifying and responding to the expectations and concerns of their main stakeholders. This generally applied standard makes it possible to evaluate, confirm and reinforce the credibility and quality of an organisation's sustainability report in line with its main processes, systems and ability to respond to the expectations of stakeholders. The main principles governing this standard are inclusivity, materiality and responsiveness.

A brief description is given below of how ENDESA responds to the principles governing the GRI G3.1 standards and of the Electric Utilities Sector Supplement.

Sustainability Context (GRI G3.1)

ENDESA's commitment to sustainability is part of the Company's vision to be a competitive, effective and responsible

multinational operator, providing a basic service for the community at large.

The Company's commitment and the methods used to implement the same are reflected in the challenges identified by the group, its results presentations and the new targets set for business management and its sustainable development strategy.

ENDESA's sustainable development strategy is included in the 2008-2012 Sustainability Plan, which was extended in 2013 as part of the alignment and integration of the plan with the overall commitments and objectives of the Enel Group's Sustainability Plan. The Sustainability Plan links the Company's past and future, fully integrating the economic, social and environmental dimensions and long-term value generation at global level.

Materiality (AA1000 APS) - Materiality (GRI G3.1)

After formulating the ENDESA stakeholder map, tools and dialogue channels, we identified the material assets, their degree of maturity and scope, opportunities for improvement to determine the priorities to be included in strategic planning for sustainability.

The ENDESA Sustainability Plan is the main reference framework within which the Company tackles the most important challenges posed by its operations. The Plan's overall aim is to uphold the foundations that have enabled ENDESA to turn its commitment to sustainability into a tool that generates confidence among stakeholder groups as part of its business development and help the Company achieve its medium- and long-term goals.

The analysis of the information takes into consideration sustainability drivers and accounts for the needs, concerns and expectations of the organisation and its stakeholders. This process is aligned with the processes for organisational decision making and strategy development. The following activities were carried out to determine the materiality of the issues identified:

- Identification of priority issues for ENDESA's positioning in sustainability.
- Identification of potential sustainability issues through which ENDESA seeks exposure and positioning.
- Prioritisation of measures in different areas of sustainability.

By implementing the Sustainability Plan, ENDESA began aligning the plan with the overall commitments of the Enel Group's Sustainability Plan, and transferring the strategy to the various regions where it operates at country level (Argentina, Brazil, Colombia, Chile and Peru) and Iberia regional level (Andalusia and Extremadura, Aragon, the Balearic Islands, the Canary Islands, Catalonia, North West and Portugal).

Through the 2013 Materiality Study, ENDESA continued the in-depth analyses conducted in 2012 and made new internal, external and contextual contributions to identify and judge its performance and to define its sustainability commitments. Therefore, the Company has identified the main economic, environmental, social and ethical challenges that it must address and that will form the basis of the strategy that ENDESA will implement over the coming year to provide appropriate responses to its stakeholders.

The Principle of Responsiveness (AA1000 APS)

ENDESA's response to the principal sustainability challenges laid out by its stakeholders has come in the design and deployment of ENDESA's Sustainability Plan. This is what this report has aimed to demonstrate.

Thanks to ENDESA's Sustainability Plan, the Company is meeting its commitment to transparency and trust in its relations with social stakeholders, in every area of corporate activity and in all geographical locations.

The Company conducted a consultation process with stakeholders at global level through implementation of the Enel Group's Stakeholders Management project, which it will maintain and develop in the future. In addition, the main actions which the Company intends to carry out include, *inter alia*, on-line surveys, roundtable discussions with energy and

sustainability experts, internal roundtables and interviews with opinion leaders and experts in the field. The information obtained will be input into the *"Materiality Monitor"* tool, which allows the information to be easily integrated, analysed and consolidated to obtain the material aspects and boundaries at different levels within the Company for its inclusion in the business strategy and its timely response.

The overall aim of ENDESA's Sustainability Plan is to uphold the foundations to turn its commitment to sustainability into responsible growth, incorporating environmental and social opportunities in management models and strategies.

Special efforts are being made to bring the Group's global perspective into line with the actions of the ENDESA Sustainability strategy and its rollout at country and regional level. This has been based on the following four working areas: understanding the commitments, threats and opportunities, integration of opportunities and definition of programmes and indicators.

Completeness (GRI G3.1)

The "Report Boundary" section provides details about the boundary of the information included in this report.

The Report gives priority to information considered to be material, and all social, economic and environmental impacts are included using a standard system of data collection in all ENDESA's business areas and including significant information for stakeholders.

Principles of report quality (GRI G3.1)

- **Accuracy and clarity:** The report contains numerous tables, charts and diagrams, with the level of detail thought necessary to allow the Company's performance to be fairly assessed.

- **Timeliness of the information:** ENDESA reports annually on its financial, social and environmental performance. This information is also published on its website (www.endesa.com), which is permanently updated, while the Company publishes its annual Sustainability Report along with its Operations Review, financial information (balance sheet, income statements and management reports) and Corporate Governance report.

- **Reliability:** This Report includes an independent review by Ernst & Young S.L. in accordance with the guidelines issued by the Instituto de Censores Jurados de Cuentas de España (ICJCE) and ISAE 3000, as a limited assurance engagement.

- **Balance:** The report reflects both positive and negative aspects in order to present an unbiased image of the issues addressed.

- **Comparability:** The information included in the report has been organised to provide an understanding of any changes in comparison with previous years. As far as possible all information is presented in a way consistent with that used by companies in the same sector.

Principle of sustainability context

ENDESA's commitment to sustainability is part of the Company's vision of itself as a competitive, effective and responsible multinational, providing a basic service for the community at large.

The commitment is reflected in the challenges identified by the group, its results presentations, and the new targets set for business management and its sustainable development strategy.





Our customers

Guarantee of quality,
security and efficiency

25.8million
customers across the
world

36.31% fewer
complaints received

43.6 million calls
received by call centres

995,000
contracts with
e-billing, 99.7% more
than in 2012

ENDESA strives to ensure that as many people as possible have access to power with the highest standards of quality, security and efficiency.

The Company has continued to improve the reliability of supply and customer services during 2013, with a view to making progress in these areas and foster a positive perception of the service offered.

Priority issues – 2013 materiality study	ENDESA's response in the report
Security of supply: Efficiency of electricity distribution and transmission and active demand management.	See Chapter on Our customers: 1. Quality of electricity supply as a priority. See Chapter on Innovation: Commitment to efficiency: 3.1.1. Telecommunications/smart grids. See Chapter on Climate Change: Responding to the challenges and opportunities of climate change. 1.4. Leadership in sustainable transport: Electric vehicle development.
Transparency and customer service vis-à-vis the tariff system and pricing policy.	See Chapter on Our customers: 2.3. Responsibility for informing customers about ENDESA's products and services.
Responsible and efficient management of customer relations. Quality of communications and customer service.	See Chapter on Our customers: 2. ENDESA's customer service excellence plan.
Responsible marketing.	See Chapter on Our customers: 2.3. Responsibility for informing customers about ENDESA's products and services.
Energy efficiency products and programmes/innovative solutions.	See Chapter on Our customers: 4. ENDESA efficient products and services.
Programmes for socially-disadvantaged customers or those facing difficulties making payments.	See Chapter on Our customers: 1.4. Programmes to improve or maintain access to electricity.

Challenges in 2013	Actions taken
Remote management project: To move forward with mass rollout and remote operation.	<ul style="list-style-type: none"> The mass rollout continued in 2013, with around 100,000 meters being installed a month, putting the total number of smart meters installed since the start of the project at 4.2 million. Over 3 million smart meters are now controlled automatically by ENDESA's remote management system, with more than 1.5 million being added in 2013.
Remote management-related applications: To improve management of faults in LV grid. To standardise the customer-grid relationship.	<ul style="list-style-type: none"> Remote management data have been successfully integrated to drive up efficiency and cut the cost of resolving faults across the low-voltage grid. ENDESA also participates on the Perfila Project with REE and other Spanish distribution companies to enhance the existing load profiling system using a panel of samples of remotely-managed, low-voltage supplies, and has launched pilots to provide detailed consumption data to users through a website.
To identify unexpected outages and restore service to customers as quickly as possible.	<ul style="list-style-type: none"> The average time to restore supply to consumers after an outage can be calculated as the ratio between the Total of Equivalent Supply Interruptions (Spanish initials, TIEPI) and the Number of Equivalent Supply Interruptions (Spanish initials, NIEPI). In 2013, this response time was slashed by 8% from 41 to 38 minutes (unexpected outages in distribution, excluding those caused by force majeure).
To remain the leader in the electricity market and the second largest operator in the gas market.	<ul style="list-style-type: none"> 37.5% share of electricity market in Spain, 15.4% of gas market.
To become the benchmark provider of products and value added services.	<ul style="list-style-type: none"> Consistent turnover in 2013 vs. 2012.
To be the benchmark in customer service based on excellence in our processes.	<ul style="list-style-type: none"> The overall satisfaction score for the Company in the mass market is 13% higher than that of its competitors.

Key figures 2010-2013				
	2010	2011	2012	2013
Number of customers around the world (million)	25.8	29.5	29.9	25.8
Number of e-billing contracts	—	425,000	550,000	619,000
Registered users on www.endesaonline.com	550,000	725,000	800,000	967,000
Number of social rate (" <i>bono social</i> ") customers	1,076,677	1,029,408	984,948	985,518

In 2014 we propose
To remain the leader in the electricity market and the second largest operator in the gas market.
To become the benchmark provider of products and value added services.
To be the benchmark in customer service based on excellence in our processes.
To continue with the rollout plan and remote operations, as part of the Remote Management Project.
Remote management-related applications: <ul style="list-style-type: none"> To drive down fault response times. To improve information on service quality.
Fault helpline: <ul style="list-style-type: none"> To improve information and speed up response times to customer calls.

1. Quality of electricity supply as a priority

Guaranteeing access to the electricity supply, and its continuity, security, efficiency and quality are some of the priorities at ENDESA, which works to develop the infrastructure required to make these conditions possible, particularly in those areas where access to supply is more difficult.

The number of distribution customers increased by 1.73% in 2013 to over 11 million in Spain and Portugal, and over 14.5 million in Latin America.

25.8 million customers: 11.3 million in Spain and Portugal, and 14.5 million in Latin America

1.1. Spain and Portugal

In Spain, ENDESA distributes electricity in 27 provinces across 10 autonomous regions (Catalonia, Andalusia, the Balearic Islands, the Canary Islands, Aragon, Extremadura, Castile-Leon, Navarre, Valencia and Galicia), covering a total area of 192,790 km² with a total population of nearly 22 million.

ENDESA's distribution networks supplied 101,529 GWh of power to customers in 2013, down 3% on 2012.

ENDESA's network supplied 112,031 GWh of power in 2013 measured at busbar cost, covering 43% of total demand in Spain, which totalled 260,870 GWh in 2013, according to the Spanish electricity system operator.

1.1.1. Development and improvement of distribution infrastructure

In 2013, ENDESA extended the lines making up its distribution grids in Spain by 0.34% to 323,633 km, 40% of which are underground lines.

During the year, the number of substations fell by 11 to a total of 1,244 at year end.

Length of ENDESA's distribution grid lines in Spain extended by 0.34%

In addition to extending this infrastructure, ENDESA also undertook a large number of initiatives to improve quality of supply. These included increasing maintenance work, upgrading facilities and improving the automation of the HV and MV networks. Regarding automation, in 2013 the Company continued to roll out its Medium-voltage Grid Automation Plan, ending the year with a total of 29,387 remote-controlled elements.

Work on the "power belt" on the island of El Hierro stands out, which is designed to ensure no customers on the island are without power in the event of an incident, thereby improving the response to adverse weather events.

Other initiatives focused on reducing the environmental impact of the grids and developing specific plans, backed by respective local governments.

ENDESA in the Spanish and Portuguese supply market

	2011	2012	2013	% chg 2013-2012
Number of regulated market customers (thousands)*	9,046	8,463	7,574	-11.734%
Number of deregulated market customers (thousands)	2,418	2,845	3,802	31.46%
Power supplied to the regulated market (GWh)	26,000	23,600	20,600	-12.72%
Power supplied to the deregulated market (GWh)	72,000	70,700	66,600	-5.8%
Length of distribution-grid lines (km)	321,464	322,510	323,631	0.3%

* Excluding customers in European countries outside the Iberian market.

ENDESA distribution facilities in Spain and Portugal

	2011	2012	2013	% chg 2013-2012
High-voltage overhead lines (km)	18,311	18,815	18,821	0.0%
High-voltage underground lines (km)	711	726	745	2.6%
Medium-voltage overhead lines (km)	79,539	77,414	77,597	0.2%
Medium-voltage underground lines (km)	39,261	39,434	39,946	1.3%
Low-voltage overhead lines (km)*	95,921	96,291	97,026	0.8%
Low-voltage underground lines (km)*	87,721	89,830	89,498	-0.4%
Substations (no.)	1,240	1,255	1,244	-0.9%
Substations (MVA)	82,526	83,569	84,890	1.6%
Transformer centres (no.)	130,858	131,166	131,491	0.2%

* The length of the low-voltage network is estimated.

1.1.2. Continuity of supply

Supply continuity in Spain is gauged by two main indicators: the System Average Interruption Duration Index (SAIDI) and the Number of Equivalent Interruptions of the Power Supply (NIEPI) which, respectively, measure the duration and number of equivalent interruptions of installed capacity. The calculation procedure for these indicators is regulated by Royal Decree 1955/2000 and the results are audited annually by an independent company.

Total duration of supply interruptions (TIEPI) down to 47 minutes

During 2013, the average duration of supply interruptions in the markets supplied by ENDESA in Spain stood at 47 minutes, down 5 minutes on the 2012 figure and a new record for supply availability offered to customers and service reliability 99.99% of the time per annum. The number of equivalent interruptions of the power supply (NIEPI) in 2013 stood at 1.3, down 0.1 compared with the previous year.

New record for supply availability set in 2013

Improvements in the continuity of supply indicators were achieved in most of the self-governing regions served by ENDESA. Catalonia and Andalusia saw their historical TIEPI values come down to 43 and 53 minutes, respectively, while the Canary Islands, the Balearic Islands, Aragon and Extremadura enjoyed excellent annual interruption times of 31, 31, 54 and 56 minutes, respectively.

Total of equivalent supply interruptions (TIEPI) in ENDESA's network in Spain (minutes)

Interruption time	2011	2012	2013	Change 2013-2012
Andalusia	75	60	53	-12%
Aragon	49	54	54	0%
Balearic Islands	35	44	31	-30%
Canary Islands	39	43	31	-28%
Catalonia	55	47	43	-9%
Extremadura	66	42	56	33%
ENDESA	60	52	47	-10%

At the same time, the cities supplied by ENDESA received excellent levels of service quality. The power supply interruption times for practically all of them fell below 30 minutes, with Teruel, Huesca, Almeria and Palma de Mallorca all at 11 minutes.

Floods in the Valle de Arán

ENDESA mobilised a considerable amount of resources to reconnect electricity supplies after the severe June floods in Valle de Arán (Catalonia) caused by snow melt from the Pyrenees and a prolonged period of heavy rain that led to the Garona and Noguera Pallaresa rivers bursting their banks. The Emergency Operations Plan involved deploying two helicopters to carry operatives and materials to the site, thereby avoiding blocked roads. In total, almost a hundred distribution and generation professionals were involved, despite the difficulties and lack of light, in reconnecting the various parts of the grid that were damaged or destroyed by the flood waters. The Spanish army were involved in the most challenging work, providing two heavy-lift helicopters for transporting the heaviest generators. In order to make it easier to deal with and attend to customers, the Company set up a Supply Information Point at its offices in Vielha (the district capital) to handle enquiries and requests from local residents, as well as a special helpline for customers unable to visit the offices.



The Enel Group uses the System Average Interruption Duration Index (SAIDI) and the System Average Interruption Frequency Index (SAIFI) to measure and compare supply quality. The Group has calculated these indices to compare the quality of supply in all the countries in which it operates. Although they are similar to the TIEPI and the NIEPI, data are not comparable due to the different local regulations applied to calculating interruptions (causes, origins, duration and installations considered).

Snow storm in Bajo Aragón

The snow storm in the districts of Bajo Aragón and Matarraña on the night of 28 February damaged the medium- and low-voltage grid and caused power outages affecting 2,000 customers. The Company responded by providing 10 electricity generators because it was not possible to reach most of the lines damaged by falling branches and trees, and broken pylons and conductors along several stretches of the lines converging at the local substation.

In response to the incident, ENDESA worked with Civil Protection officers and the mayors of the affected municipalities to update them of the measures being taken and progress in restoring supply. Although this work was hampered by poor weather conditions and the inability to access the damaged parts of the grid due to road conditions, all customers affected by the snow were reconnected by 2 March.

ENDESA supply-quality indicators in Latin America in 2013

	SAIDI (System Average Interruption Duration Index) (minutes)			
	2011*	2012	2013	% chg 2013-2012
Spain	89	81	75	-7.4
Argentina (*)	1,378	2,282	1,919	-15.9
Chile	149	177	187	5.6
Colombia	738	381	739	93.9
Brazil - Ampla	940	900	1,005	11.6
Brazil - Coelce	435	381	450	18.1
Peru	458	440	308	-30

	SAIFI (System Average Interruption Frequency Index) (no. of interruptions)			
	2011*	2012	2013	% chg 2013-2012
Spain	1.84	1.83	1.82	-0.5
Argentina	6.46	6.71	5.16	-23.1
Chile	1.96	1.45	1.40	-3.4
Colombia	10.22	11.18	10.67	-4.5
Brazil - Ampla	6.84	6.70	7.11	6.1
Brazil - Coelce	4.07	3.78	3.81	0.8
Peru	3.40	2.85	2.03	-28.7

* These values differ from those reported in ENDESA's 2011 and 2012 Sustainability Reports to bring them in line with the new calculation methodology for 2013.

1.2. Latin America

ENDESA is the leading private electricity company in Latin America, ranking first in Chile, Argentina, Colombia and Peru, and third in Brazil.

There were 496 new customers recorded in the region in 2013, bringing the total to 14.5 million in five countries. Overall demand in the region increased by 2.9% in the year compared to 2012.

ENDESA's customers in Latin America (millions of customers)

Country	2011	2012	2013	% chg 2013-2012
Chile	1.64	1.66	1.69	2.11
Argentina	2.39	2.39	2.44	2.30
Colombia	2.62	2.71	2.82	3.83
Peru	1.14	1.20	1.25	4.32
Brazil	5.87	6.05	6.30	4.13
Total	13.66	14.01	14.51	3.54

Electricity sales (GWh)

Country	2012	2013	% chg 2013-2012
Chile	12,485	13,030	4.37
Argentina	14,758	14,953	1.32
Colombia	8,193	8,274	0.99
Peru	6,288	6,456	2.67
Brazil	18,000	18,799	4.44
Total	59,724	61,512	2.99

1.2.1. Development and improvement of distribution infrastructure

HV lines had a total length of 11,897 km at year-end 2013, an increase of 246 km year on year, while MV and LV lines totalled 156,618 km and 148,461 km, respectively, with increases of 1,588 km and 2,438 km, respectively, compared to 2012.

ENDESA's transmission and distribution lines in the region were extended by 1% in 2013, with 247 kilometres of high-voltage lines being added; taking the total thereof to 8,644 kilometres. The low-voltage grid was 66,810 kilometres long

(992 kilometres more), while the medium-voltage grid was extended by 992 kilometres during the year to 116,243 kilometres.

In Argentina, the distribution company Edesur invested US dollar 26 million to the benefit of 550,000 of the company's customer to improve service quality by doubling the capacity of the Don Bosco substation, providing it with more capacity and cutting-edge technology. This enabled a wider area of the Buenos Aires conurbation to be served and the SE Wilde substation to be decommissioned after over 70 years of continuous service.

Chilectra's distribution engineering team successfully completed the development of new medium-voltage grid technologies, which will start to be rolled out during the year, including new underground transformer stations.

In the search for service excellence, the processes for connecting recently completed real-estate projects in Cundinamarca in Colombia were aligned with those of Bogota, having set up a new section of the portal for construction companies for this segment.

Increase in capacity of the San Cristóbal substation

In May, Chilectra brought a further 100 MVA on line at the San Cristóbal substation, boosting its flexibility and the quality of service to customers in the central and northern parts of Santiago and neighbouring communes. A life line system was also installed to make it safer to work at height, offering greater protection to the technicians and operatives performing maintenance work. As a result of the new installations, the San Cristóbal substation now has installed capacity of 230 MVA.



ENDESA distribution facilities in Latin America

	2012	2013	% chg 2012-2013
High-voltage lines (km)	11,651	11,897	2.11
Medium-voltage lines (km)	155,030	156,618	1.02
Low-voltage lines (km)	146,023	148,461	1.67

1.2.2. ENDESA supply quality indicators in Latin America in 2013

In Argentina, the distribution company kicked off the Winter Plan 2012 and Summer Plan 2012-2013 to face these critical periods with a series of preventive actions, including:

- The "Special Contingency Plan", designed to achieve a prompt, efficient and coordinated response to incidents affecting continuity and quality of supply, while placing special emphasis on customers considered to be "sensitive". These include healthcare centres, government departments, senior citizens' homes, electricity-dependent customers, etc.
- Preventive and corrective maintenance at HV/MV/LV plants and networks (inspections, thermal imaging, surveys, pruning) to minimise the risk of outages and interruptions. Other work focused on the MV network with a view to enhancing reliability ahead of the increase in summer demand, especially over the Christmas and New Year holidays.
- A total of 200 electricity generators (105 owned, 45 leased and 50 belonging to Enarsa) are located at critical points to ease demands on the network and prevent overloads.

In addition, to reduce the time required to restore power and to improve service quality indicators, work continued during the year on the Medium-voltage Network Remote Control Project begun in 2011. This project has reduced operating times, in turn cutting outage duration. Consequently, supply security is up, as are energy sales.

Ampla responded to high winds of up to 90 km/h in Rio de Janeiro state, deploying teams to the affected areas of the concession to fully reestablish the supply. In areas such as Niterói, the number of teams was increased up to six fold, with all staff being diverted to deal with the weather event. Reinforcements were also drafted in from other areas of the company to help customers.



To obtain greater control over grid losses in Peru, the concession area was divided up into eight zones (based on the power demarcation by radius of service of the 60/10 KV transformers). Approximately 148,000 inspections were conducted and bills started to be issued for 21.3 GWh of unregistered electricity consumption.

Regulated supply quality indicators in Latin America, 2013

Country – Distributor	Regulated indicator	(Minutes)	2011	2012	2013	% chg 2013-2012
Argentina – Edesur	SAIDI	(Minutes)	1,407.21	2,628.12	1,951.72	-25.7%
Chile – Chilectra	TTIK	(Minutes)	157.10	143.88	142.22	-1.2%
Colombia – Codensa	SAIDI	(Minutes)	838.59	698.20	812.56	+16.4%
Brazil – Ampla	DEC	(Minutes)	1,154.42	1,054.82	1,206.00	+14.3%
Brazil – Coelce	DEC	(Minutes)	558.60	483.53	546.36	+13.0%
Peru – Edelnor	TIC	(Minutes)	585.79	563.07	488.18	-13.3%

Regulated number of supply outages in Latin America, 2013

Country – Distributor	Regulated indicator	(number)	2011	2012	2013	% chg 2013-2012
Argentina – Edesur	SAIFI	number	6.85	7.30	5.47	-25.1%
Chile – Chilectra	FMIK	number	1.28	1.39	1.16	-16.6%
Colombia – Codensa	SAIFI	number	11.42	12.05	11.60	-3.7%
Brazil – Ampla	FEC	number	9.83	9.26	9.79	+5.7%
Brazil – Coelce	FEC	number	6.04	4.62	5.11	+10.7%
Peru – Edelnor	FIC	number	4.59	4.02	3.32	-17.5%

Residential disconnections for non-payment, broken down by duration of disconnection and by regulatory regime (number)

	Spain and Portugal	Latin America	Total
Residential disconnections	352,635	2,180,691	2,533,326
Residential disconnections lasting less than 48 hours	206,340	1,420,996	1,627,336
Residential disconnections lasting 48 hours to 1 week	31,991	294,533	326,524
Residential disconnections lasting 1 week to 1 month	46,026	258,526	304,552
Residential disconnections lasting 1 month to 1 year	68,278	177,144	245,422
Residential disconnections lasting more than 1 year	0	2,074	2,074
Residential customer reconnected within 24 hours	201,002	2,242,200	2,443,202
Residential customers reconnected after 24 hours and less than 1 week	92,873	61,638	154,511
Residential customers reconnected after more than 1 week	493	14,841	15,334

1.3. Operations in other countries

ENDESA had over 165,000 supply points in Portugal at the end of 2013, broken down as follows: 3,988 at medium voltage, 3,410 at special low voltage and over 158,000 at normal low voltage. A total of 6,513 GWh were supplied in 2013. The Company also supplied 1,497 GWh of gas in 2013, ending the year with 41 active supply points.

In France, ENDESA supplied 7,871 GWh of gas in 2013, an increase of 31% on 2012. At the end of the year, it had 604 active gas supply points.

In Germany, ENDESA supplied 1,553 GWh of electricity in 2013, an increase of 10%, and ended the year with 182 active supply points.

In the Netherlands, the Company supplied 654 GWh of electricity and 95 GWh of gas in 2013, with 85 electricity and 18 gas supply points in operation at the end of the year.

Lastly, in Andorra, ENDESA supplied 287 GWh of power to the local utility FEDA in 2013.

1.4 Programmes to improve or maintain access to electricity

In 2013, ENDESA maintained access to electricity for disadvantaged and low-income social groups in the countries where it has operations. In Spain, it continued to apply the social rate (bono social).

1.4.1. Spain and Portugal

In Spain, ENDESA continued to apply the social rate to customers with supplies below 3 kW, pensioners, large families and families where all members of working age are unemployed.

Over 985,000 customers benefited from the social rate in 2013

The social rate consists of a freeze on electricity prices at the rate in force at 30 June 2009. With this rate, eligible customers have not had their electricity prices go up over the past three years. At the end of 2013, a total of 985,518 customers were on the social rate, of which 82% are eligible automatically and the remainder (177,434 customers) for family, work or economic circumstances.

1.4.2. Latin America

In Latin America, programmes and initiatives aimed specifically at improving electricity access have been implemented.

Enel Sole and ENDESA have cut energy consumption in nine Spanish municipalities by 50%

Enel Sole and ENDESA have cut energy consumption in nine Spanish municipalities by 50%. Over 160,000 inhabitants of Mérida (Extremadura); Bollullos de la Mitación, Castro del Río and Rincón de la Victoria (Andalusia); Muro de Alcoy (Valencia); Los Alcázares, Fuente Álamo and Abarán (Murcia); and Mora de Ebro (Catalonia) are now enjoying the benefits of the Group's energy-efficient public lighting systems.

A total of 44,238 street lights have been replaced with 5,924 Archilede and Archilede High Performance LED lighting modules, reducing emissions by 3,934 tonnes of CO₂ per year. In 2013 alone, Enel Sole achieved energy savings of close to 40 GWh.

In addition to cutting the towns' electricity bills, these projects also



involved hiring local labour to carry out installation and maintenance work, contributing to regional development and bringing a boost to SMEs in the towns.

The technology rolled out by Enel Sole and ENDESA is based on the use of efficient lights with smart controls fitted at every lighting point. These projects help local councils to drive up energy efficiency, cut CO₂ emissions, and increase the availability of street lighting, as faults can be detected in real time.

These projects put Enel Sole and ENDESA at the forefront of the energy services market, specifically concerning energy-efficient public lighting, and underpin their position in the Spanish market.

In Peru, for example, work continued on formalising contracts during the year. The project entails providing power to families without contracts (energy theft). Since the project began in 2010, the contracts of approximately 15,000 families in the fastest growing areas (northern cone and east of Lima) have been formalised. This figure remained unchanged in 2013 as no additional work in this area was performed.

As part of the mass electrification programme in Peru, power was provided to 221 renewal projects in 2013, covering a total of 20,292 families.

In Brazil, the social rate benefits 32% of all the residential customers of Ampla and Coelce (1.51 million customers), with a discount of up to 65% on the normal rate. At Coelce, 49% of its residential customers benefit (1.2 million customers).

Rural customers receive a discount on power used for irrigation in aquafarming during the early hours of the day. Low-voltage customers enjoy a 73% discount on the normal low-voltage rate. Meanwhile, high-voltage customers are eligible for a 90% discount on the normal rate, which is already 10% lower than that applied for other market segments (industry and commerce).

In Argentina, the framework agreement entered into by Edesur, the federal government and the regional government to supply depressed areas of the capital and the greater Buenos Aires area, remained in force. Under this agreement, customers can apply for credit through their electricity bill.

For further information, see the chapter on Strengthening ties with local communities, section 3.1.1 Enabling electricity (pg. 237).

Estimated population without electricity supply in ENDESA's distribution areas in Latin America

	Argentina (*)	Chile	Brazil	Peru	Colombia
Population without electricity supply, 2011 (no. of people)	285,000	5,330	7,180	321,029	91,369
Population without electricity supply, 2012 (no. of people)	290,000	5,928	8,000	175,872	74,245
Population without electricity supply, 2013 (no. of people)	15,550	5,442	3,725	169,058	
% of total population, 2011	3.8	0.1	0.04	6.13	0.86
% of total population, 2012	3.8	0.1	0.054	3	0.70
% of total population, 2013	0.002	0.09	0.024	3	

(*) 100% of the population in Argentina has access to the grid. In EDESUR's concession area, only 4% of the population lives in settlements where the buildings fail to meet the requirements for development of the distribution network. These cases fall under the scope of the framework agreement with the CABA, Buenos Aires y Nación governments, whereby EDESUR provides power through one or more MV/LV transformers. The residents carry out the LV connections, and therefore are not charged – invoices are paid by the authorities.

2. ENDESA's customer service excellence plan

Excellence is a key value guiding ENDESA in its relations with customers. The Company constantly seeks maximum efficiency in customer services channels, tools and platforms through innovation and continuous improvement.

2.1 Customer Service Excellence Plan

To offer its customers the best possible service, ENDESA has had a Customer Service Excellence Plan in place since 2003, the main objective of which is to improve the main customer satisfaction indicators year after year.

In 2013, ENDESA's Customer Service Excellence Plan focused on service quality (telephone, face-to-face and online assistance, as well as complaint management) and the development of new billing models and quicker customer perception measurement systems.

Among the results obtained, it is worth highlighting the following improvements:

- 8% increase in overall satisfaction with the telephone channel in the mass market.
- 100% increase in the number of existing e-billing contracts.
- 10% increase in overall satisfaction with the complaints process among business customers.
- 5% improvement in overall satisfaction with meter reading and billing in the mass market.

To ensure that the improvements identified in the Plan are made, 10 key performance indicators are monitored monthly to verify the impact on the improvement of ENDESA's sales quality.

To offer its customers the best possible service in Brazil, Coelce and Ampla have also rolled out plans to drive up the main customer satisfaction indicators year after year. The plans focus on customer satisfaction (Customer Satisfaction Plan), including plans for improving service quality ((telephone, face-to-face and online assistance, as well as complaint management) and the quality of operations (automation and optimisation of billing processes). The results featured the following:

- 32% decrease in complaints about Coelce's billing process between 2011 and 2013, and a 19% fall at Ampla over the same period. Compared to 2012, 15.1% and 14.7% reductions in Coelce and Ampla, respectively.
- Rate of callers hanging up on the mass call centre firmly below 3.5% at Ampla and Coelce.
- Enhanced service at sales offices, with higher percentage of customers being attended in less than 10 minutes at Ampla (from 87.14% in 2011 to 87.98% in 2013) and Coelce (from 81.36% to 86.36%).
- 9% rise in the satisfaction of companies with the sales helpline (Quality Indicator-Customer Service) in 2013 compared to 2011 at Ampla, and same percentage for this service excellence indicator at Coelce.
- Over 21% decrease in complaints about street lighting.
- 42% reduction in complaints about energy bills.
- Over 28% reduction in average waiting time at sales offices.
- According to the Operational Satisfaction Survey, 94.60% of customers visiting sales offices in Rio de Janeiro were satisfied and 96.30% at Ceará.

Ampla, the electric utility offering the best customer service

Ampla was voted the top electric utility for customer service according to the Exame IBRC 2013 Customer Service Ranking, coordinated by the Brazilian Customer Relations Institute (IBRC) – one of the most important customer service rankings in the country, which included the 100 best companies. Ampla was also ranked 75th in the general classification, underlining its commitment to customer service excellence.



Colombia

Six programmes were designed and rolled out to identify, build and foster a culture focused on serving internal and external customers. Each targets a certain customer group and involves specific measures:

- **Service Centre Remodelling Project**
- **Repeat Complaints Project**, the aim of which is to identify and obtain information on the reasons why customers submit the same complaints to Customer Services.
- **Pop-up Sales Office** for maintaining regular contact with communities, handle customer comments, identify improvement opportunities that can be feed back to departments to improve processes, manage brand positioning,

enhance the Company's image, and strengthen the BY YOUR SIDE programme.

- **I Am Company**, designed to foster a customer-focused culture among Codensa employees so that they act as true service ambassadors in their communities. In 2013, three channels were opened (text message, telephone and email) for company employees to submit enquiries and recommendations on the energy service requirements of their families and neighbours.
- **Codensa mobile phone app project** to design, develop and introduce architecture that enables users to submit complaints and enquiries to ENDESA using their mobile phones, which can then be dealt with. In 2013, a mobile phone app was created for customers to consult information on their bills, Codensa service centres and payment points. The app can also be used by customers to report faults in their energy supply.
- **Knowledge is power** involving developing for Endesa Colombia a continuous training strategy covering the core competencies of workers and partners. The most relevant elements of this training area:
 - Negotiating skills: covered in the Codensa Billing programmes, an Introduction to Electricity Generation and the I Am Company workshop (overview of main negotiating processes) given by experts from the different areas.
 - Sales skills: programmes on advanced negotiations and high-impact pitches.
 - Customer service skills: workshops on service culture for contractors as part of the Live Energy Project (3,300 partners involved).
- **One Voice**, aimed at capitalising on the suggestions and customer requirements put forward by employees in direct contact with customers to improve and optimise procedures and processes to the benefit of the end customer.

2.1.1. Face-to-face contact

ENDESA's face-to-face sales service is structured according to the customer segment:

- **Large customers and businesses:** ENDESA's management team is organised by sector as well as by territory. This gives the Company in-depth knowledge of customer needs and allows it to offer them tailor-made competitive solutions. The Company has around 300 personal sales managers throughout the country, in addition to a telephone hotline and a dedicated website.
- **General public:** ENDESA has 22 sales offices and 335 service points in Spain, which are complemented by call centres and the virtual office (www.endesaonline.com).

ENDESA has 22 sales offices and 335 service points in Spain

2013 (Spain)	Offices	Service points	TOTAL
Aragon	1	26	27
Catalonia	1	79	80
Balearic Islands	4	22	26
Andalusia	9	106	115
Canary Islands	3	26	29
Own distribution market	18	259	277
Third-party distribution market	4	76	80
Total	22	335	357

In Argentina, work started on replacing PCs and furniture at the sales offices. A Sales Tools Workshop was also given to customer service supervisors and executives, designed to nurture and encourage techniques to deal with different situations using communication tools and exploiting emotional intelligence.

In March, Chilectra opened its new pop-up customer service office which visited over 550 locations to attend to customers who find it difficult to visit the normal offices because

they live in remote areas. This helps communities that are furthest away such as those in rural communities. The new pop-up office provides the same standard of customer service as the normal offices.

Chilectra also rolled out its new Junction Box Sales Model at all its sales offices. The process for selling junction boxes was redesigned to integrate it into sale office operations, improving the service provided to customers and their satisfaction therewith.

Agreements were signed in Colombia with financial institutions to provide greater coverage and payment options through their branch networks. 11,900 in-person collection points are now available covering approximately 84% of the municipalities served by the company, which make it easier for customers without bank accounts to pay their bills.

The number of transactions also rose by 228,000 in 2013, from an average of 175,000 per month in the previous year to 194,000. Waiting times for customers also dropped 30%, from 12 minutes in 2012 to 8 minutes in 2013.

Two Service Centres were also refurbished in 2013, along with the six Service Centres refurbished when the project was implemented.

2.1.2. Call centres

Activity at ENDESA's call centres in Spain and Portugal in 2013 was in line with 2012, answering 13.7 million calls.

ENDESA's call centres answered over 13 million calls in 2013

After the rollout of the free telephone line for customers, the volume of calls stabilised, partly as a result of the regulatory changes, primarily the return to bimonthly billing for

LRT customers leading to a decrease in calls about billing and collections.

A key element of the strategic projects during the period was the work on offshore call centres. After bolstering operations and driving up quality in 2012, this service has been strengthened with the opening of a new call centre in the Colombian city of Medellin. The year ended with a third of customer calls being handled by offshore call centres.

Special mention should also be given to the rollout of a new quality control model at the call centres, bolstering the model that was already a best practice, based on the COPC (Customer Operations Performance Centre) standard. This model focuses on critical errors detected in the service provided that have an impact on customers and the business, and has made it easier to correlate the perception of service quality with that actually received. This led to customers scoring the attention they received more than half a point higher than in 2012.

In parallel, work continued on redesigning the core customer service processes taking a customer-focused approach, which has made it easier and smoother for customers to interact with the channel. These processes will also be enhanced once the new CRM system is in place.

A new communication channel was opened for major customers known as FONOEMPRESAS, providing a dedicated and personalised service through just one call to 517-1718. Customers can receive advice on products and services, increase load capacities, and have enquiries and requests dealt with immediately.

A mailbox has also been set up (*atencionempresas@edelnor.com.pe*) for customers to send in their orders, requests, etc.

The contact centre in Colombia handled 2,148,509 calls, up 4.3% on those answered in 2012. Indicators for 2013 were satisfactory, with a 6.3 percentage point improvement in the score for service (82.01%) and 4.6 percentage point rise in the score for customer care (93.44%) year on year.

2.1.3. Online service

The *www.endesaonline.com* virtual office continued to expand rapidly in 2013, continuing the trend begun a few years ago. This is now a powerful channel for boosting not only the sale and contracting of products and services, but also for achieving excellence in customer service. It also shows strong potential to continue growing in coming years.

Calls received by ENDESA call centres (million)

	2011	2012	2013
Spain and Portugal	15.1	16.7	13.7
Latin America	24.5	27.9	27.3
Total	39.6	44.6	40.9

Call Centre in Spain and Portugal

	2011	2012	2013
Percentage of calls received (%)	96.92	96.52	95.08
Average resolution time for queries received from industrial customers (seconds)	367	368	360
Average resolution time for queries received from residential customers (seconds)	273	322	297
Training given to call centre operators (hours)	124	122	164

107% increase in e-billing customers to 619,000

At the end of 2013, there were some 967,000 registered customers (21% more than in 2012), with over 1,822,000 contracts. More than 170,000 new registered users signed up during the year. These users accessed *www.endesaonline.com* over 13 million times.

967,000 registered users of *www.endesaonline.com*

In 2013, e-billing also received a significant boost. At the end of the year, there were 995,000 e-billing contracts in force, 99.7% more than in 2012.



A mobile phone app was launched for ENDESA customers as part of its plan to improve perceived quality by customers online and the initiatives aimed at facilitating access through new digital channels.

The first version of the app will allow customers to perform the most common operations:

- Registering with the Virtual Office and managing passwords.
- Searching for and viewing bills (PDF format).
- Accessing other channels for contacting ENDESA (contact telephone numbers and map of offices closest to a customer's location), commercial offerings and direct access to the online contracting form.

The ENDESA app has been downloaded by over 65,000 customers since March 2013.

Argentina

The energy distribution company EDESUR has a website where customers can obtain information and make enquiries. It started to improve the website, incorporating a Virtual Office through which users can perform various tasks.

Express Enquiry Terminals are installed at all sales offices which can be used to file complaints about outages, reducing the time it takes for customers to be dealt with.

An interactive service was also offered to users in 2013, which automatically collates reports of outages, which are registered on the system and generate work orders for the field team.

Colombia

In 2013, the customer relations and care policy was bolstered by updating communication channels and making them more dynamic to improve the customer experience and their satisfaction.

In 2013, Codensa launched its new Builders' Service Guide. The guide aims to provide guidance and support for its customers in a more efficient manner. The digital version was presented to over 2,500 construction firms, electrical system designers, engineering students, etc.

The multi-channel strategy designed in 2012 continued during the year with the consolidation of the virtual customer service channels (website, chat room, self-help, interactive voice response (IVR)¹ and social networks). The company is setting the trend in using alternative channels, and this initiative drove up usage of virtual channels in 2013 by 14% year on year, accounting for 60% of customer contact through all the company's service channels. Highlights of 2013 include:

- Launch of the www.codensa.com.co portal, offering a more modern and dynamic feel to the existing website and providing customers with enhanced navigation.
- Digital marketing strategies were put in place (Google AdWords, placements on portals, etc.), while a search engine optimisation (SEO) exercise was conducted to improve the search result positioning of the corporate websites and work was conducted to gain better brand recognition through friendly URLs.

¹ Interactive Voice Response (IVR) is a system that can "interact" with callers using voice recordings and a system that recognises simple responses.

- The CODENSA portal had 3,096,804 visitors by year end, up 23% on 2012.
- 4,322,763 transactions were also performed, some 15% higher than the previous year. 84% of these transactions were related with energy and the remaining 16% with ECOS and credit. 503,949 users were registered at year-end 2013.
- The use of social networks as a service channel was ramped up, with over 1,597 enquiries on Facebook and over 5,287 tweets on Twitter being handled. The Payment Date and Value application on Facebook also received 48,255 hits: a pioneering app in Latin America for consulting billing information. At the end of 2013, the CODENSA Energía Facebook page had 221,694 followers, and Twitter, 5,114 followers. New social networking service models were devised in 2013 (Payment Date and Value app in Facebook, service forms and response to reports of all types of incidents and requests through Twitter), enabling the company to remain a leader in providing multichannel solutions.

2.1.4. Customer database

In line with its pursuit of commercial excellence, ENDESA has a large customer database, using the data to better adapt to customer demands and market trends.

The database uses an Oracle/Siebel CRM system and an Oracle-SaaS CRM system, with all reports defined by customer demand and market trend criteria. It allows users to disaggregate customer data by a number of parameters, such as: long-term sales trends, purchases of products/services, geographic segmentations, profits generated, type of customisation, potential value of permanence for the business, lifestyle, industrial sector, customer service cost and value (as a combination of different factors).

2.2 Quick solutions for complaints and new-contract applications

At ENDESA, complaints are managed centrally by the Complaints Unit and via the people who work in the six existing Regional Complaints Units. Their responsibilities mainly consist of detecting the reasons for interruptions to normal commercial activity, establishing measures to resolve these and determining improvements to the management systems. They should also resolve complaints in the shortest time possible and act as intermediaries with public or private ombudsmen.

The number of complaints received fell 36.31% to 350,639 in 2013 from 550,558 in 2012. The resolution rate for generation-related complaints was 103.2%, reducing the number of outstanding complaints compared to 2012.

Complaints received in 2013 decreased by 36.31%

In accordance with the agreements between suppliers and distributors registered with the Office of Supplier Changes (OCSUM), changes were made to how requests by customers for revised bills due to estimated meter readings are dealt with, reducing the number of complaints about billing. In 2013, more complaints were handled concerning sales and customer service due to a higher number of products and services offered by ENDESA.

By business, complaints about electricity supply rose 7% from 2012 to 87%, while the remaining 13% concerned complaints about gas supply.

The average turnaround time for complaints was 12 days, despite the negative impact on this indicator of the resolution of prior years' complaints in 2013.

The new CRM system was rolled out in 2013, providing new means of communication for processing complaints received by email, text message and communication with customers via social media, etc., providing them with updates on how their complaints are being dealt with.

2.2.1. ENDESA's Customer Ombudsman

ENDESA's Customer Ombudsman, the only one in the Spanish electricity market, works independently from the Company's management teams and was appointed to provide customers with an additional means of dialogue in connection with the services that ENDESA provides in the market; listening to external and in-house representatives and proposing to the Company recommendations for ascertaining customers' needs and expectations and improving service quality.

ENDESA hosts first meeting of customer ombudsman from major service companies in Spain

ENDESA's Customer Ombudsman organised the first formal meeting with two of the main service companies in Spain – Telefónica and Aguas de Barcelona – to share best practices and experiences in various businesses with many common traits relating to responding to customers' needs. The meeting was attended by Michel Astruc, *Médiateur* of GDF-Suez, who presented the concept of mediation in France and how it can be furthered in Spain.



The Customer Ombudsman is an independent office and the only one of its kind in the sector

José Luis Oller Ariño was appointed ENDESA Customer Ombudsman in 2005.

2.2.1.1. Spain and Portugal

Complaints handled

The Customer Ombudsman dealt with 2,658 complaints in 2013, 40% higher than in 2012.

Much of this rise was due to complaints that did not strictly lie within the Ombudsman's remit, which practically doubled from the previous year, while claims within the Ombudsman's jurisdiction remained stable (1,155).

10% more claims received in 2013

By type, complaints related with metering equipment (16% of the total) increased the most during 2013. Complaints about the meter reading, billing and collection cycle (40% of the total), fell slightly, while those associated with the distribution grid (23%) were up 20% compared to 2012.

Complaints about gas and gas service contracts went down, while the number of complaints related to the contract arrangement process in the deregulated market remained stable.

Some 79% of the complaints were resolved partially or fully in favour of the customer.

79% of complaints resolved satisfactorily

The average time taken to resolve complaints was also cut to 57 days; within the target margins. This improvement is reflected in the percentage of complaints resolved in less 30 days and less than 60 days.

Most complaints were resolved through direct discussions between ENDESA and the customer (54%). In the other cases, the Ombudsman resolved cases through simple conciliation (20%) or based on principles of justice and equity (26%).

Perceived quality

Overall customer satisfaction with ENDESA's Ombudsman remained stable (a score of 7.4), with most customers saying they were satisfied or very satisfied.

The service and information received from the Customer Ombudsman Office scored most highly. Customers also especially appreciated the assurance given by the Ombudsman

(7.6), with 76% stating that they would recommend the service to other customers.

Other activities

In 2013, the Ombudsman issued two Recommendations and 14 Failure Alerts.

The Recommendations issued concerned how complaints about electrical damage, and the procedure for cutting off and suspending supply are handled. In both cases, it was recommended that ENDESA should be more transparent and provide better information to its customers to avoid complaints.

In contrast to the Recommendations, the Failure Alerts flag up specific cases where the Customer Ombudsman has identified during his analysis an error or failure that he demands be fixed.

In 2013, the Ombudsman presented a Declaration of Commitments to customers.

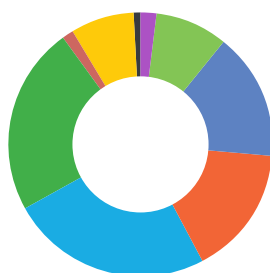
Declaration of Commitments adopted by ENDESA's Customer Ombudsman vis-à-vis its customers.

The Customer Ombudsman and the staff at the office thereof commit to:

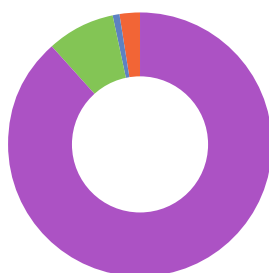
1. Offering a diligent, appropriate, polite and approachable service to customers, and to respond satisfactorily to their questions.
2. Providing customers asking for our involvement with all the information they require in a clear and easy to understand manner.
3. Directing customers to the pertinent service at the Company if the matter does not fall within the Ombudsman's remit.
4. Including in the first reply to the customer the name and surname of the member of staff at the Office dealing with a customer's case, along with a contact telephone number that the customer can use.

5. Also providing in this first reply, a description of the stages of the complaints process and the average duration of each of them.
6. Striving to meet the deadlines set for each stage. Also, notifying the customer of any timings change.
7. Using appropriate, clear and comprehensible language in all correspondence with our customers.
8. Issuing resolutions based on principles of conciliation and equality that are impartial and reasonable, duly justified, unambiguous and commensurate to the specific circumstances of the complaint made.
9. Complying with personal privacy and confidentiality rules.
10. Measuring and reporting customer satisfaction scores for our service.

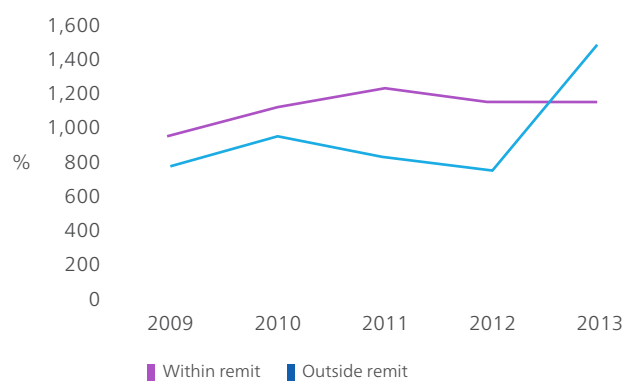
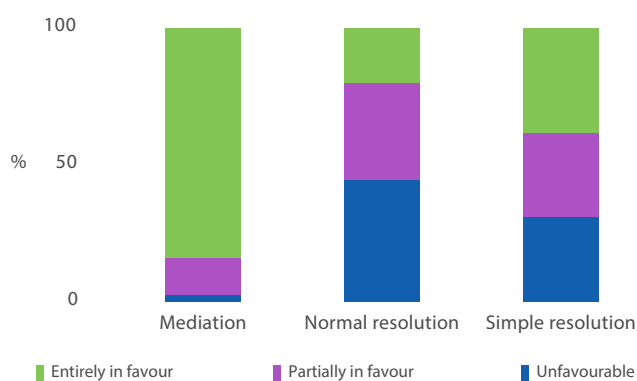
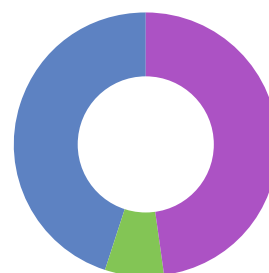
Type of complaints (%)



Type of service (%)



Channel through which complaint was received (%)



The Declaration, shared with other ENDESA ombudsmen in Latin America, is intended to offer assurance to all ENDESA customers in their dealings with the Ombudsman so that they place all their trust in him to resolve their enquiries and complaints. The principles established in the Declaration are provided to customers on the Customer Ombudsman website: www.defensordelcliente.endesa.es.

2.2.1.2. Latin America

ENDESA has a customer ombudsman or similar function in the five countries where it operates in Latin America. In 2013, the number of complaints received decreased by 0.5%.

The customer ombudsmen of Ampla and Coelce represent a second tier of the customer service channels and are responsible for ensuring the quality of service provided and improving the companies' image, preventing customers from going to the regulator or taking cases to court. Another of the duties of the ombudsmen is to identify opportunities to enhance processes and procedures at the companies.

A survey conducted by the Vox Populi Institute in late 2014 of 171 customers making valid complaints revealed that there had been an improvement in the perceived quality of the service provided by the Ampla and Coelce ombudsmen. At Ampla, while 45.6% of customers gave the initial contact with the ombudsman a score of 9 or 10, 61.1% gave the same score at the end of the process, representing a rise of 15.5

percentage points. Coelce's ombudsman saw the percentage of customers giving this score also rise by 7.5 percentage points from 56.3% to 63.8%.

2.3. Responsibility for informing customers about ENDESA's products and services

For ENDESA, ensuring customers can exercise their rights to full information on the products and services that they purchase is crucial. Therefore, the Company complies with regulatory requirements regarding the information furnished to customers at all stages of the commercial cycle. These regulations state that:

- When a supply contract is signed or amended, customers must be informed about the different tariffs available and the power rating most suited to their needs.
- When power supplies are interrupted because of programmed work on the grid, customers and the general public must be given sufficient notice.
- If a customer's supply is to be cut off because bills have not been paid they must be informed in advance. The Company must have proof that this has been done before proceeding to disconnecting supplies.
- There are also other circumstances in which time limits for providing information are prescribed, such as giving estimates for new supplies and dealing with customer complaints.

In the deregulated market, ENDESA complies strictly with disclosure requirements regarding the source of the electricity supplied.

ENDESA goes beyond the legal requirements to achieve excellence in the provision of information to customers.

Thus, in 2009 the Company created a business unit to manage relations with consumers' associations and public bodies, which has been strengthened since then. The unit held regular meetings and took part in consumers' forums to communicate the measures taken by ENDESA with regard to its customers and to find out what their main concerns are, in order to be able to take the most appropriate measures.

In order to guarantee transparency in all its processes, ENDESA Brasil adheres to the rules set forth in its Code of Ethics regarding advertising, contracts and customer communications, which must be accessible, clear, straight-forward, complete and written in plain language familiar to its representatives. Practices that may be misleading or misjudged are avoided and self-governance and statutory rules complied with.

EDESUR has also been selected as a member of Argentina's Global Compact Assembly, occupying the position of representative on the Management Board for the period 2013-2015.

Meanwhile, Hidroeléctrica El Chocón will have a seat on the Management Board of the Argentina local network of this UN initiative for the first time, as an alternate member.

In Chile, the Company prepared a series of three consumer brochures during 2013 on informed and responsible consumption, managing personal finances, and the rights and duties of Chilectra customers. It is planned that these brochures will be distributed in 2014. These publications were prepared as part of the activities of the Consumer Advisory Board promoted by Chilectra, and form the basis of the workshops for neighbourhood associations.

Also in Chile, workshops were run for the Carabineros de Chile Foundation covering issues such as energy efficiency. A competition was also organised for participatory projects devised by community groups focusing on "Safe and Efficient Energy Use" and care for the environmental, and "Recycling".

Instant billing: a world-renowned technological development

An interdisciplinary team designed and launched an instant billing service, which has already been covered by the media. The process involves accounts being analysed and bills printed out at the same time a meter reader takes a meter reading, which can then be given to the customer there and then. This initiative is representative of Codensa's position at the forefront of technological developments.



2.3.1 Eliminating barriers

ENDESA also strives to eliminate potential communication barriers concerning information on its products or services, whether they be physical, social or language-related.

For instance, all commercial and informative communications sent to ENDESA's customers in Spain, including bills and leaflets, are produced in Spanish and Catalan.

In the same vein, an English version of *endesaonline.com* has been launched, in addition to the Spanish and Catalan versions of the website already offered by ENDESA.

This new initiative responds to the demands of foreign customers. It is calculated that 900,000 British people live permanently or temporarily in Spain, primarily on the Mediter-

anean coast and the islands, as well as other nationalities who speak English as a second language.

ENDESA can therefore communicate in English through *www.endesaonline.com*, *www.endesaclientes.com*, apps and the online chat room, providing these customers with the information and attention they need online.

Visually-impaired customers in Argentina continued to receive bills in Braille while others can opt for bills by e-mail with audio.

A 24-hour communication channel is also available in this country using text messages, offering customers the choice of submitting reports of outages and consult their balance over their mobile phone. This extends the reach to more customers, such as the deaf or hard of hearing.

In Brazil, visually-impaired customers receive their bills in Braille, while the Relations Centres have a free hotline for hearing-impaired customers. Several commercial offices provide a service in English and Brazilian sign language (known as "Libras") for people with a hearing impediment.

New commercial offices and service agencies in this country have access ramps and toilets for people with limited mobility, while existing units are being adapted gradually so that they can install these facilities. There are signs indicating preferential seating for the elderly, pregnant women and people with disabilities. Some customer telephones used to contact the call centre have been adapted at certain commercial offices for use by people in wheelchairs.

In Colombia, Codensa's service centres provide a variety of services to people with disabilities, the elderly and pregnant women, such as special signs, exclusive attention points, preferential service and collection lines, and access ramps. Offices being remodelled are adding toilets for people with disabilities and those in wheelchairs.

3. Customer satisfaction

3.1. Spain and Portugal

In 2013, ENDESA remained committed to excellence in the quality of service it provides to customers. In line with this objective, the Company closely monitored customer satisfaction with its products, services and the customer service provided through its sales channels, as well as sales to the mass market and to small-scale customers.

Customer satisfaction in Spain was measured through more than 96,000 telephone/online customer surveys, covering more than 4,200 indicators. This volume of information was handled in a Big Data environment, processing and classifying more than 46 million records.

ENDESA conducted more than 96,000 telephone/online customer surveys

The main approach to gauging customer satisfaction is telephone surveys, although in 2013 all customers contacted online were interviewed using the same channel (pop up questionnaires or by e-mail). All surveys of major customers are also performed online.

ENDESA was again leader in mass market customer satisfaction in the electricity sector in 2013, achieving a 6% higher score than its peers.

ENDESA customer satisfaction improved, scoring 13% higher than its competitors

ENDESA's image was reinforced as a leader in terms of satisfaction with its advisory services (17% higher score than its peers), its customer-focused approach (+18%) and its trustworthiness thanks to its expert workforce (+22%). All this makes ENDESA an example to follow in customer care.

The number of ENDESA customers reporting that their expectations were met by the service provided was 6% higher than that of its peers.

Meanwhile, customer loyalty remained high, with customers giving scores that were 20% and 16% higher, respectively, for the likelihood of them recommending the Company to others and repurchasing products.

This year, all electricity customer satisfaction indicators were up 6% on average, especially regarding satisfaction with advice given (+11%).

Mass market customers in the gas sector showed their satisfaction with ENDESA and the sales cycle, giving a score of over 7.

Small customers continued to give higher scores for their account managers, which reached 8.30 in 2013. The proactive approach taken by managers is an improvement on the previous year, attaining an excellent score.

ENDESA's major customers gave a score of over 8 for their satisfaction with managers, which is a 7% improvement in 2013.

- **Service channels:** The performance of ENDESA's customer service channels scored higher than in 2012, obtaining an excellent score from customers making contact by telephone, face-to-face or over the internet.

Call centres saw substantially improved scores from both LRT (+7%) and DM (+4%) customers, who gave higher scores in 2013 of more than 8.

In 2013, the face-to-face service channels saw their indicators once again improve: offices (+4%) and service points (+2%), achieving greater satisfaction with both the attention provided and the clarity of explanations given; both achieving excellent scores.

Users of the ENDESA website tripled (4% to 13%). e-billing customers also gave a score for satisfaction with the sales cycle that is 3% higher than that for paper billing.

- **Processes:** 5% higher customer satisfaction score regarding the perceived quality of ENDESA's management of all processes in 2013. The most noteworthy increases in scoring were for information provided to customers (+8%), electricity supply connections (+4%) and contract management (+6%); all with a score of over 7. The percentage of customers reporting that their service expectations had been met also climbed 8%.
- **Assessments of value-added projects:** The service ENDESA offers regarding tailor-made products and services for customers was well received, with small customers giving a score of 8 (+1%), matched by major customers (+4%).
- **Customer Ombudsman:** Scores for information received on the next steps to be followed, given by customers whose complaints were handled by the Customer Ombudsman's Office were higher than a year earlier (+16%).
- **New studies included:** As part of its efforts to measure the quality of service provided by its customer contact channels, in 2013 ENDESA added a survey examining the quality of service offered by the sales channels (task forces and telesales) to both mass market customers and those receiving tailor-made products. Task forces received a score of 8.67 and the telesales channel, 8.03. The satisfaction indicators for ENDESA's portfolio of services certified by Aenor met the targets set, with scores that did not drop below 8.

3.2. Latin America

Various measures were taken in Latin America to achieve customer service excellence.

In 2013, a new Customer Satisfaction Plan was rolled out in Brazil, the main aim of which is to exchange and integrate best practices among ENDESA subsidiaries in the country.

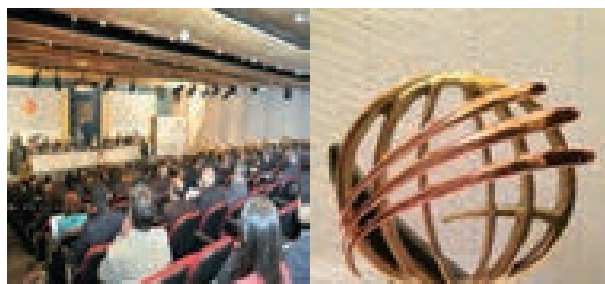
Ampla launched a new model for collecting electricity bill payments using two automated terminals at the Niterói and Petrópolis customer service points, which can be used to perform other operations as well as make payments. The initiative aims to provide a better service by making it easier and more secure for customers.

Ampla also developed the "Linha de Frente convida Linha de Frente", which forms part of the Customer Satisfaction Plan for partners in Rio de Janeiro and Ceará. Visits are arranged to encourage professionals involved in the customer service chain to share ideas and experiences. Electricians, meter readers and support staff are invited to visit each other's workplace to see how they operate day to day, giving them a better insight into and understanding of their processes and opening up opportunities for improvements.

Supported by the company, Coelce's Consumers' Council in Brazil also hosted the 2013 edition of the consumers' councils of Energía Eléctrica del Nordeste, held in May in Fortaleza. The event provided an opportunity to discuss issues of interest to consumers and gather their suggestions, fostering better relations with customers.

Coelce: best distribution company in the Northeast and third in Brazil

For the eighth consecutive year in 2013, the Brazilian Association of Power Distributors (Abradee) named Coelce as the best distribution company in the northeast of Brazil, taking third place in the country as a whole. In this edition, a poll was conducted of over 505,000 customers across 5,500 Brazilian municipalities.



Customer satisfaction index

	2011	2012	2013
Spain	6.41	6.57	6.88
Argentina	7.15	7.15	n/a
Chile	7.3	6.76	7.24
Brazil ¹	8.2	7.65	7.8
Peru	7.9	6.4	6.52
Colombia	8.2	7.6	8.6

Minimum = 1; Maximum = 10.

¹ Average indices, Ampla: 69.8%; Coelce 86.9%.

Number of complaints received per regulated and deregulated market (thousand)

	2011	2012	2013	% chg 2013-2012
Spain	54.69	51.59	33.69	-34.71
Argentina	6.1	6.7	9.32	39.10
Brazil	48.6	43.3	55.41	27.96
Chile	20	17.7	16.50	-6.78
Colombia	38.94	44.61	38.45	-13.81
Peru	4.4	4.6	5.65	22.82
Total	111.8	111.2	159.02	43.00

Chilectra in Chile hosts business meetings, such as those held with representatives of the Instituto Nacional del Tórax and the Clínica Hospital del Profesor, to strengthen emotional bonds with customers, nurture their loyalty and create closer ties.

Between February and May 2013, Chilectra also successfully rolled out the Chilectra Pago Express pilot project, to install an automatic terminal for customers to directly and independently pay their electricity bills.

In Colombia, the regional survey by the Commission on Regional Energy Integration (CIER) showed a 14 percentage-point improvement in the customer service score from 69.9 to 84.

No customer satisfaction surveys were carried out in Argentina in 2013.

4. Efficient products and services

4.1. Spain and Portugal

In 2013, ENDESA continued to expand its portfolio of Value Added Products and Services (VAPS), rolling out new business models and sales channels. This enables it to sell customers (households, small enterprises, and medium and large companies) a raft of products and services that contribute to their sustainability, offer cost savings, reduce emissions, and enable operational and/or energy use enhancements.

The VAPS offered cover three clearly distinct areas:

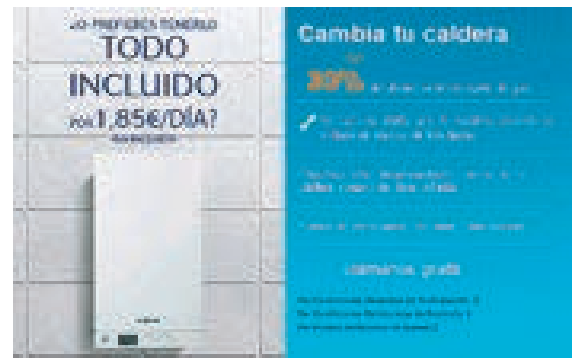
- Distributed energy and thermal solutions:
 - Photovoltaic solar energy.
 - Solar thermal energy.
- Energy efficiency:
 - Lighting.
 - Energy audits.
 - Inverter air conditioning and thermal fluids.
 - Condensing boilers.
 - Air conditioning and heating projects.
- Other:
 - Condenser batteries.
 - Maintenance (electricity, gas and climate control).
 - E-mobility.
 - Natural gas for vehicles.
 - Monitoring and control of electricity consumption.
 - Electricity and gas projects.
 - Insurance.
 - Advisory and consultancy services.

The initiatives carried out in 2013 included the ongoing development of monitoring solutions and electricity consumption control in the home. A pilot project was carried out in the Balearic Islands, in partnership with the islands' regional government, to install electricity control and monitoring devices in 150 homes across the islands. Participants in the pilot scheme were very satisfied, with 73% considering that the

devices helped save energy consumed and 48% revealing that they had changed their usage habits. These devices also enabled ENDESA users to more clearly and precisely understand their bills.

In the medium and large company segment, ENDESA worked on developing new business models, bolstering its position as an Energy Service Company (ESCO), encouraging its customers to invest in improving their facilities and managing them in an end-to-end manner. This enables customers to save on their energy bills, offsetting the cost of the improvements made by ENDESA at their facilities.

ENDESA has launched a new End-to-end Solutions model for households, which is unique in the market. It provides customers with a condensing boiler or an electric vehicle charging point, as well as a full maintenance service, which can be paid for in monthly installments.



This catalogue of energy efficiency products and services includes Public Lighting projects. Under an ESCO model, ENDESA works with Enel Sole to provide end-to-end management of the service to replace and maintain the electricity supplies and facilities of nine local councils, covering over 177,000 habitants. More than 46,000 street lights are managed, over 12% of which are LED. Investments total Euro 9.3 million, generating estimated annual energy savings of 49%. As a result emissions are down by 3,934 tonnes of CO₂ per annum. In addition to cutting the towns' electricity bills, these projects also involved hiring local labour to carry out installation and maintenance work, contributing to regional development and bringing a boost to SMEs in the towns.

4.2. Latin America

Significant savings for customers were also achieved in Latin America thanks to programmes to replace inefficient equipment, such as replacing household appliances, lighting and refrigerators; renovating household electricity installations (electricity meters, efficient electric showers, new lighting); discounts on purchases of high efficiency household appliances for residential consumers; and incentives for using renewable solar power in homes. Specifically, the value of in Brazil energy efficiency solutions provided to customers by Ampla and Coelce totalled Euro 9.5 million in 2013, saving approximately 35,000 MWh/year.

In countries such as Chile, the air conditioning and heating segment gained ground through the sale of electrical equipment to replace conventional-fuel equipment (heat pumps, electric heaters, air conditioning), in addition to the Full Electric and Solar Electric projects (involving the installation of 136.7 m² of solar panels in 2013, taking the total surface area of panels to 6,732 m²), to foster electrification in society and the economy.

In 2013, Chilectra offered its customers innovative electric radiant flooring: a system that uses radiant heating to achieve energy savings of around 40%. Among the many benefits of this new system are that it does not create dust or pollution, is water resistant, is not invasive, is maintenance free, and is accredited both internationally and by the University of Chile.

In other countries such as Peru, work is also underway on reactive compensation for low-voltage networks and the installation of metering data concentrators in real-estate projects, driving down energy consumption.

The By Your Side Project in Colombia was kicked off to give residential and small business customers positive experiences and nurture close, trust-based relations through engagement, information and communication strategies relating to topics of mutual interest. Initiatives included 32,419 house-to-house visits, the training of 3,537 adults in

Coelce signs the first distributed energy microgeneration contract

On 9 July 2013, Coelce signed the first distributed micro-generation contract. The right conditions were put in place through the Electricity Regulatory Agency (ANEEL) to enable any customers to generate energy at home or their company.

Coelce prepared technical standard NT-010 which helps customers to meet the requirements of the distribution company.



On 23 August, Coelce connected the first distributed generation system in Ceará, which is owned by a residential customer and comprises a wind turbine with a two-way meter to measure energy generated and consumed.

Distributed microgeneration involves generating electricity at small scale using renewable energy sources or highly efficient

conversion processes such as micro hydroelectric turbines, micro wind turbines, fuel cells, photovoltaic solar panels or biomass boilers. Ceará has great potential to exploit photovoltaic solar and wind power.

safe, efficient and responsible energy use, the 44,790 qualified and approved Energy Watches, and the 130 old and obsolete refrigerators that were replaced for new, efficient models.

4.3 Raising customer awareness of efficient energy use

4.3.1. Spain and Portugal

ENDESA continuously runs communication campaigns to raise awareness about the efficient use of energy. These include:

- **Twenergy:** this has become the most important online community in the world for sustainability and energy efficiency. Launched in 2009, it has over 41,700 registered users on the website, more than 58,000 followers on social networks (primarily Facebook and Twitter) and received approximately 2.5 million hits in 2013. Twenergy is based on a website and its own profiles on the main social networks: Facebook, Twitter, YouTube, Vimeo and Flickr.

Twenergy is the most important online community in the world for sustainability and energy efficiency

Twenergy boasted 41,700 users registered on its website, which received approximately 2.5 million hits in 2013

- **Advice on bills:** a space is reserved on the back of bills to inform customers on how to save energy and protect their power installations.
- **Specific communications** to customers in their first year of the contract:
 - Gas guide: informative leaflet on the safe use of gas.
- **Participation in forums and platforms** in Spain and internationally which are most active in raising awareness of and disseminating information on energy efficiency. The Companies for Energy Efficiency Platform, promoted by ENDESA in 2011 and including other companies from a variety of sectors, aims to join forces to achieve greater energy efficiency by promoting more sustainable environmental behaviour. It promotes cooperation in many efficient lighting and air-conditioning initiatives, the use of alternative energy sources in production processes, modernisation of equipment and process optimisation. It has achieved savings of 1 million tonnes of CO₂, equivalent to

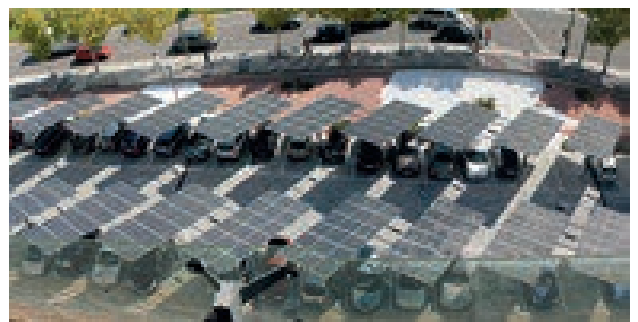
The "Companies for Energy Efficiency" platform prevents the emission of 1 million tonnes of CO₂

The "Companies for Energy Efficiency" platform surpassed its goal of avoiding the emission of 1 million tonnes of CO₂ between 2011 and 2013, equivalent to the emissions of 200,000 average Spanish households per annum.

The ten members of the Platform (ENDESA, Cepsa, Philips Ibérica, Renfe, Meliá, Telefónica, Toyota España, Unibail Rodamco España, Cemex and Bayer) were also recently joined by the DIA supermarket chain.



The Companies for Energy Efficiency platform is becoming a standard bearer in Spain for energy efficiency and reducing companies' carbon footprint. That is why, in addition to the specific efficiency measures carried out by each company, other types of action to foster collaboration and communication are also being encouraged, such as the "Energy Efficiency Journalism Award": a biannual award recognising and promoting the publication of information and raising of awareness about energy efficiency. In its first year, awards were given to an episode of *Informe Semanal* and an article in the magazine *Energías Renovables*.



The Platform was also selected as a benchmark collaborative project for the new 2013-15 campaign of the European Enterprise 2020 initiative.

Further information on the members and activities of the Platform are available at: www.empresaseficienciaenergetica.com

the emissions of 200,000 average Spanish households per annum. The energy saved represents 110% of the platform's 2011-2013 target.

- **Savings advice** on www.endesaonline.com

4.3.2. Latin America

In Latin America, initiatives were also carried out to promote energy efficiency and responsible energy usage.

Informative banners have been included on letters to customers in Argentina promoting energy-efficient products.

Ampla launched the campaign entitled Ampla Recommendations by Mrs Claudia: a character who offers tips on responsible electricity consumption.

Chilectra, meanwhile, was awarded the Energy Efficiency Seal by the Ministry of Energy for its role in promoting efficiency among customers, implementing an energy efficiency policy, and having successfully rolled out initiatives in this area such as cutting grid losses and energy consumption at its sales and administrative offices.

In 2013, as part of its commitment to keeping customers informed, Chilectra also used the "Te queremos informado" (We want you informed) campaign to highlight interesting developments regarding benefits and advice on how to improve quality of life, relating to energy efficiency and avoiding electrical accidents.

Chilectra was awarded the Energy Efficiency Seal by the Chilean Ministry of Energy on 3 October. It received the award for its role in promoting efficiency among customers, implementing an energy efficiency policy, and having successfully rolled out initiatives in this area such as cutting grid losses and energy consumption at its sales and administrative offices. This highlighted Chilectra's firm commitment to sustain-

Twenergy received 2.5 million hits in 2013, and launched in Latin America

Twenergy, ENDESA's website aimed at promoting energy efficiency and responsible energy consumption, received 2.5 million hits in 2013, up 112% year on year. Twenergy's success is also reflected in the 20% increase (41,900) in registered users from 2012.

The logo for Twenergy, featuring the word "twenergy" in a stylized font. The "tw" is in a light blue color, and "energy" is in a darker blue color. The letters are bold and modern.

Off the back of its success in Spain, Twenergy has become the first initiative in the electricity sector in Latin America to create a community that is committed to responsible energy usage, with 53% of the website's total hits per annum coming from the region.

As a result, since early 2013, the content of the website has been adapted so that it can be viewed using mobile devices, while work is underway on new initiatives focusing primarily on boosting user participation (dynamisation of the TW forum, restructuring of "Gente TW", etc.). Twenergy now has around 11,000 Twitter and 47,000 Facebook followers.

able energy use to customers, users, shareholders, suppliers and the general public.

Chilectra obtained the Energy Efficiency Seal from the Chilean government

In the major customers segment, Chilectra also worked with Marketing and the company Complex to host a working breakfast on Energy Efficiency in Industry, attended by representatives from 50 major customers.

For further information, see the chapter on Strengthening ties with local communities, section 3 Social initiatives (pg. 236).

5. Safety and ongoing improvement in all stages of the life cycle of ENDESA's products and services

ENDESA has the mechanisms and tools required to ensure the safety of its customers and the general population, paying special attention to the distribution and consumption of electricity.

All of ENDESA's electrical installations comply with safety legislation and regulations in force.

Installations connected to HV/HV and HV/MV substations feature safety devices to isolate any defects that arise. MV lines are equipped with intermediate protective devices such as lightning conductors and automatic valves to prevent surges caused by atmospheric discharges.

All medium- and high-voltage installations are inspected three times a year for safety and suitability, and are remotely monitored. MV and LV transformer centres and LV lines feature similar safety measures.

Network supply connections are also fully protected, in accordance with current legislation.

Emergency and disaster management at nuclear facilities

The management of emergencies at nuclear sites is organised through regional nuclear emergency plans which are in turn based on the Basic Nuclear Emergency Plan (PLABEN).

These plans are specifically for regions with nuclear installations and are only triggered in the event of emergencies. They are drawn up by the Directorate General for Civil Protection and Emergencies of the Ministry of the Interior and involve all relevant parties: governments (national and regional), the Nuclear Safety Council (CSN), security forces, nuclear facilities, etc.

Nuclear facilities also have their own internal emergency plans for each site. These plans are coordinated with the nuclear emergency plans and are intended to organise the facility's response in the first stages of a possible emergency.

Internal emergency drills are held at all nuclear sites every year with simulations of emergencies of varying scope covered by external plans held at various intervals.

By means of these simulations the effectiveness and response capability of the different organisations involved in the event of a nuclear emergency can be checked. Based on the results, adjustments can be made to emergency procedures and, if appropriate, the emergency plans.

During 2013, the plants carried out various projects to improve operations and safety. The latter measures taken included: the construction of seismic sway bracing for fire protection at the Ascó nuclear plant, updating of the radiation monitoring system at the Vandellós II nuclear plant, and the installation of various passive fire protection devices and improvements to physical safety systems at both facilities. Work is underway at the Almaraz nuclear plant to install a back-up shutdown panel and construct seismic sway bracing for fire protection.

The project to roll out safety enhancements off the back of the stress tests performed at European nuclear facilities – instigated by the EU in response to the Fukushima accident – also saw ENDESA carrying out the following work at all its facilities in 2013:

- Analysis of alternatives to install a filtered containment venting system.
- Determination of passive hydrogen recombination lines.
- Modifications to critical equipment to boost their robustness and the margin of failure in extreme circumstances.

- Rollout of modifications to portable pumping equipment, power generators and instrumentation.
- Procurement of portable pumping equipment and power generators for the Backup Emergency Management Centre (CAGE) at each plant.
- Specification and design of the Centralised Emergency Management Centre (CAE).

No notable events occurred at ENDESA's plants in 2013 that were classified as Level 1 or above on the International Nuclear Events Scale (INES).

Management of disasters and emergencies in Latin America

Argentina

Argentina has disaster response plans in place at all plants. Simulations are carried out at every plant on a six-monthly and yearly basis, as per regulations.

In particular:

- PLANACON at Endesa Costanera, designed to control all types of fire, catastrophe and leaks affecting facilities and the local area. This plan is reviewed annually and validated by the Argentine Naval Prefecture.
- The PADE Plan at Hecsa, regulating the procedures to be followed in the event of a dam failure. The plan is validated annually by the ORSEP – the agency responsible for regulating all hydroelectric plant in the basin.

Brazil

Negative impacts can be associated with power outages, leading to a loss of industrial productivity, the risk of damage to electrical and electronic equipment, and poorer security for people due to a lack of public lighting, etc.

The distribution companies, Ampla and Coelce, have System Control Centres (CCS), responsible for operating and controlling the entire electricity system. They also monitor weather conditions to detect interruptions in the energy supply more quickly. In addition to the normal procedures, a Maximum Emergency Event Manual is also used when a large number of customers lose their power supply or are affected by an unforeseen event due to external and/or internal factors that pose to a greater or lesser extent a threat to the integrity of the electricity system. Communications regarding the problem are increased and technical specialists and the Crisis Management Committee are mobilised to deal with the most immediate tasks at hand.

Emergency response plans are also in place in the generation business, which are regularly updated and include an emergency chain of command and strategy for communicating with the communities where the facilities are sited and with society at large. The plans are tested using regular drills, while procedures to restore operations at facilities comply with the guidelines defined in the instructions and operating rules of the National System Operator (ONS).

Chile

Chilectra has contingency plans in place which include three types of strategy:

- Rationing plan: designed to reduce energy consumption if the authorities declare rationing is required in the event of a prolonged energy shortage in the Central Interconnection System (SIC).
- Service recovery plan: setting out measures and procedures approved by the CDEC-SIC system operator to restore supply in the event of a general power outage across the electricity system.
- Operating risk plan: to be deployed in the event of infrequent adverse conditions impeding normal distribution to users, such as heavy rain and floods.

During 2013, Endesa Chile focused especially on risk controls, establishing or verifying protocols for liaising with the authorities in the event of an emergency or significant event. This work involved three initiatives:

1. Protocol for liaising with the Chilean National Office for Emergencies (ONEMI) when alerts of rising water levels in the Ralco reservoir are triggered.

In 2008, Law 20.304 was enacted regarding reservoir operations during rising water level alerts and emergencies. In Endesa Chile's case, only the Ralco reservoir is covered by this law. The company drew up a "Manual for Ralco reservoir operations during rising water level alerts and emergencies". Subsequently, it worked with the ONEMI to design and approve the protocol for liaisons between both entities in the event of contingencies of this nature. This protocol is currently being applied. Since 2012, annual simulations of rising water levels at the reservoir have been performed in this regard, involving the ONEMI, the General Directorate of Water (DGA) and ENDESA; testing communications systems, information transfer and the decision-making process.

2. Protocol for liaising with the Ministry of Energy in the event of an emergency

As part of the protocols for energy companies to liaise with the authorities drawn up in 2012, designed to establish direct lines of communication between these companies and the Ministry of Energy in 2013, the Ministry of Energy began planning a simulation to be conducted in the Central Interconnection System (SIC).

3. Certification of the black start capability of generating units

Each year, the CDEC prepares Service Recovery Plans setting out the procedures and coordination needed between parties operating in the SIC or the Norte Grande de Chile Interconnection System (SING) to perform black starts after total or partial grid outages. In 2013, Endesa Chile received certification in this regard for 32 of the 33 units declared.

The units certified included the gas turbine at the Tarapacá thermal plant, in this instance, obtained after a voluntary application by the company, since the CDEC-SING does not require this facility to be certified. ENDESA is the first company in the sector to complete this process.

Colombia

Contingency plans are in place in the generation business for each of the generating plants. These documents define the organisational structure and procedure for tackling emergencies.

Peru

Emergency drills were performed at 20 of Edelnor's facilities in 2013. On 30 May 2013, an earthquake/tsunami evacuation drill was conducted following the guidelines of the National Institute of Civil Defense (INDECI), involving everyone inside the facilities.

Throughout the year, talks and practical workshops on fire prevention, fire extinguisher training and simulated rescues of injured victims were run at many of its facilities, attended by a considerable number of its staff.



ENDESA's headquarters in Madrid, Spain



People

Commitment to
diversity and talent
development

22,995 people in the workforce

Lowest accident rate ever achieved, with a **16.8%** reduction in the combined severity rate and a **16.3%** reduction in the combined injury rate

965,565 training hours at ENDESA Group companies

22.3% women hired in 2013

ENDESA's commitment to the growth and professional development of its people is a priority for achieving a culture focused on innovation, continual improvement and leadership in the electricity sector.

As well as aiming to be one of the best firms to work for, ENDESA strives to guarantee respect, equality and a work-life balance among all its employees, in addition to a growing commitment to society through corporate volunteerism.

Priority issues - 2013 materiality study	ENDESA's response in the Sustainability Report
Equality policy. Diversity and equality of opportunities (measures, initiatives and reporting).	See Chapter on People: 3.1.1. ENDESA's commitment to equality.
Occupational health and safety management system.	See Chapter on People: 2.5. Lower accident rate.
Managing health and wellbeing. Training in occupational health and safety.	See Chapter on People: 2.2. Workplace accident prevention, training and inspections.
Skills management and human capital development. Performance appraisals.	See Chapter on People: 4. People leadership and development.
Workplace environment	See Chapter on People: 3.2. Workplace environment.
Commitment to employment stability, creating employment and responsible management of organisations.	See Chapter on People: 3. Responsible people management at ENDESA. 6. Attracting and retaining talent

Challenges in 2013	Actions taken
Continue implementing programmes to achieve the "zero accidents" objective.	<ul style="list-style-type: none"> The following work programmes were carried out in 2013 in relation to the 5+1 plan (1.- OHS culture and training; 2.- Safety at Collaborating Companies; 3.- Communication; 4.- Innovation and Safety Infrastructure; 5.- Large Works and 6.- Healthcare), Delfos system (e-mobility IPAL, training and improvements) and the One Safety Project.
Implementing action plans based on the results of the 2012 Workplace Satisfaction Survey.	<ul style="list-style-type: none"> Delivery of results releases to ENDESA's general managers and managers. Training sessions for human resources and managers to define Action Plans. Definition of Workplace Action Plans at ENDESA: CEO Global Action Plan (15 actions defined), General Managers Action Plan (207 actions defined), Managers Action Plan (1,450 actions defined). Communications campaigns to raise awareness of the result of the Workplace Environment survey and disseminate information on the top-down Action Plans defined for each General Management area. Launch of the Workplace Environment minisite to inform employees via the intranet of results notes, defined actions plans and their development. Follow-up reports on Action Plans.
Work-Life balance: introducing teleworking throughout ENDESA.	<ul style="list-style-type: none"> Introducing teleworking in all Latin American countries. Inclusion of teleworking as a support measure to achieve a work/life balance under the new Framework Agreement for Endesa Spain.
Measures based on equal opportunities diagnosis.	<ul style="list-style-type: none"> Design and implementation of an action plan based on equal opportunities diagnosis.
Continuing targets to hire more women.	<ul style="list-style-type: none"> In Spain 39% of new hires were women and 31% in Colombia.
Promoting geographical and functional mobility.	<ul style="list-style-type: none"> Creation and start up of the HR Mobility Committee to encourage and promote geographical and functional mobility (in Spain and abroad), with a special focus on individuals with potential for development and professional growth. Driving the application of Global Opportunities to promote international mobility among employees and adapt them to the Company's needs.

Key figures. Strategic Sustainability Plan 2010-2013				
	2010	2011	2012	2013
Employees	24,732	22,877	22,807	22,995
New hires	1,585	1,811	1,353	1,370
Training hours	1,091,099	1,091,304	985,789	965,565
% female employees	20.4%	20.8%	21.2%	21.1%
% workforce with permanent contract	96.3%	98.4%	97.06%	97.5%
Combined injury rate	4.62	3.80	2.95	2.47
Combined severity rate	0.104	0.13	0.12	0.10

In 2014, we propose
A safe organisation: maintain and strengthen our safety culture.
The ONE SAFETY project: maintain and expand the project.
A healthy organisation: promote the concept of Health as a satisfactory state of physical and mental well-being.
To continue with the roll out of action plans deriving from the 2012 Workplace Environment Survey. To launch the workplace environment thermometer to update these Action Plans.
To launch the 2014 Workplace Environment Survey to ascertain the extent of employees' commitment and the impact of previous action plans.
To implement the Gender Diversity Action Plan in Spain and Latin America.
To implement the new Technical Skills Evaluation system (<i>Global Professional System</i>).
To implement the new Enel Group Leadership Model.
To promote mobility and employability.
To renew the global Family Responsible Company certification.

1. ENDESA's workforce

At 31 December 2013, ENDESA had a total of 22,995 employees worldwide: 11,166 in Spain and Portugal, 11,826 in Latin America and three in other countries.

The total workforce increased by 0.82% compared to year-end 2012, with 1,370 new hires and 1,183 contract terminations.

22,995 employees and 1,370 new hires in 2013

ENDESA's workforce at 31 December

	2011	2012	2013	% chg 2013-2012
Spain and Portugal	11,702	11,535	11,166	-3.20%
Latin America	11,060	11,270	11,826	4.93%
Other countries	115	2	3	50%
Total	22,877	22,807	22,995	0.8

Average workforce by location

	2011	2012	2013	% chg 2012-2011
Spain and Portugal	12,046	11,698	11,341	-3.05%
Latin America	11,208	11,211	11,546	2.99%
Other countries *	112	87	2	-97.70%
Total	23,366	22,995	22,889	-0.46%

In 2012, 85 employees from ENDESA Ireland were included.

Data for ENDESA's workforce as a whole are shown below:

By age group, the largest number of employees (61.29%) falls in the 35 - 54 bracket.

97.5% of work contracts are permanent, 0.50% more than in 2012.

The average employee stays with the Company for 15 years, while 60% of the workforce have worked for us for over 10 years.

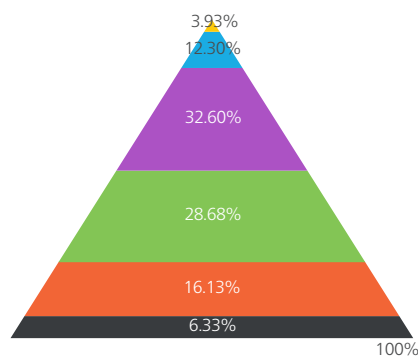
97.5% of the workforce hold a permanent contract

The majority of the workforce are full-time employees.

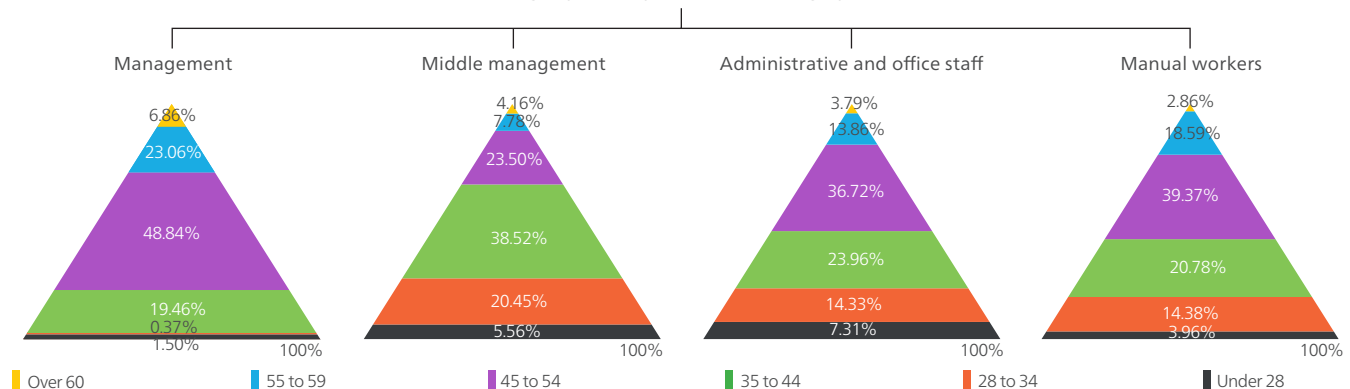
By professional category, 55.9% of the workforce are administrative and office staff, followed by middle management (34.71%).

By gender, 78.86% of the workforce is male and 21.14% female.

Workforce age pyramid



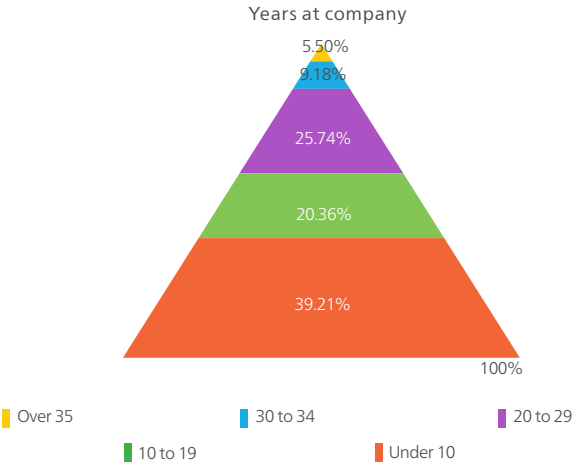
Age pyramid by professional category



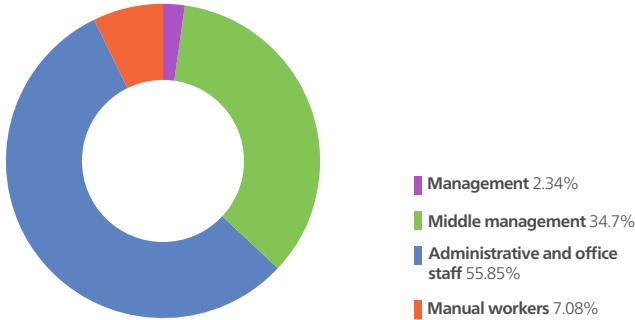
In 2013, a total of 1,182 people, 117 in Spain and 1,065 in Latin America were awarded an internship or scholarship at ENDESA.

Some 65,080 contractor personnel provide services to ENDESA in Spain and Latin America.

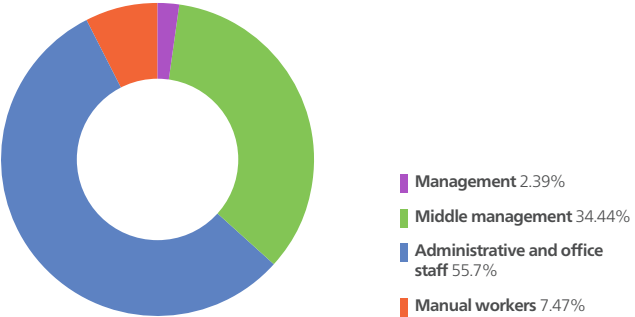
ENDESA has strengthened its ties with contractors through initiatives directed at managers who work with these com-



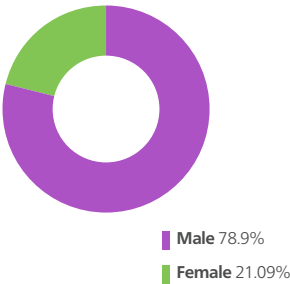
Distribution of workforce at 31 December by professional category



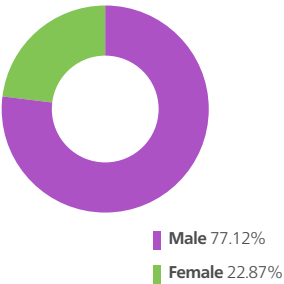
Average distribution of the workforce by professional category



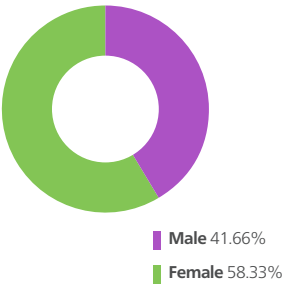
Permanent hires by gender



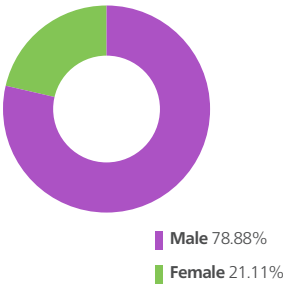
Temporary hires by gender



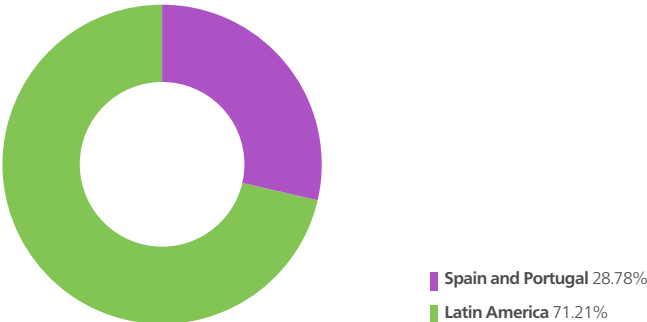
Part-time hires by gender



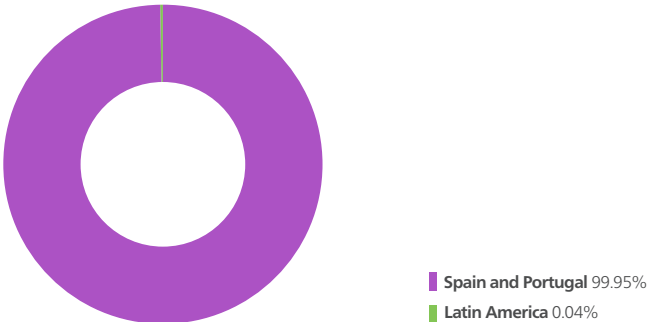
Full-time hires by gender



Contractors on full-time contracts by region



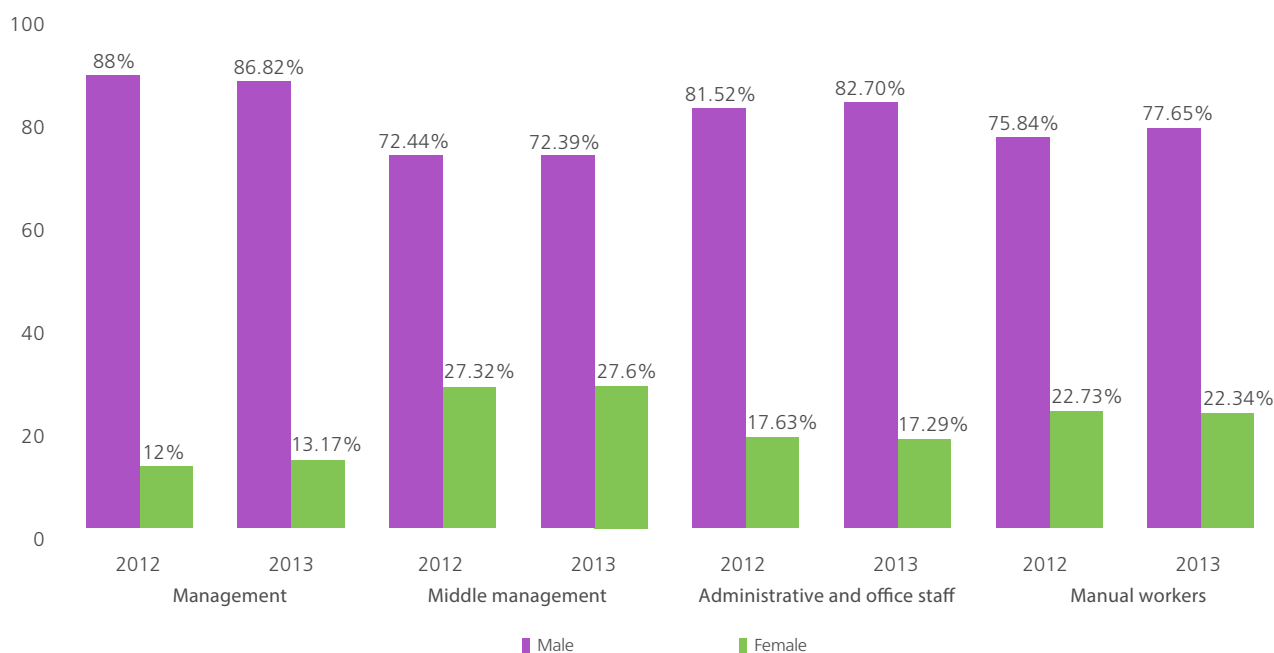
Contractors on part-time contracts by region



panies. Awareness courses have been carried out and Good practices guidelines for contractor companies published. The aim of these measures is to ensure that ENDESA's corporate social responsibility policy is correctly reflected in all areas of the contracting activity, preserving the Company's image and reputation and increasing respect for contrac-

tors as independent entities. A reminder was also issued on the need to inform contractors of the risks associated with installations and establish concerted measures to prevent workplace accidents, ensuring that employees of contractor companies have access to the same levels of protection and prevention as the Company's own workers.

Breakdown of workforce by gender*



* Based on workforce at 31 December.

Breakdown of employees by gender and geographical location

		Spain and Portugal	Argentina	Chile	Brazil	Peru	Colombia	Morocco	Total
Number of women	2011	2,437	486	485	678	226	424	1	4,737
	2012	2,443	532	510	661	241	448	1	4,836
	2013	2,375	575	518	667	240	485	1	4,860
Number of men	2011	9,265	2,951	1,912	2,086	637	1,175	1	18,025
	2012	9,092	3,037	1,951	1,997	697	1,196	1	17,969
	2013	8,791	3,388	1,989	2,005	698	1,261	2	18,135
Total number of employees	2011	11,702	3,437	2,397	2,764	863	1,599	2	22,762
	2012	11,535	3,569	2,461	2,658	938	1,644	2	22,805
	2013	11,166	3,963	2,507	2,672	938	1,746	3	22,995

Employees eligible to retire in the coming years by category (%)

	Next 5 years			Next 10 years		
	Spain	Latin America	Average	Spain	Latin America	Average
Management	5.8	8.7	6.9	31.7	27.5	29.9
Middle management	1.2	5.8	4.2	12	12	12
Administrative and office staff	0.7	6.8	3.8	20	15.6	17.7
Manual workers	2.7	14.1	2.9	21.3	37.3	21.5
Total	1.3	6.4	3.9	18.5	14.3	16.2

2. ENDESA: A safe and healthy workplace

For ENDESA, as part of the Enel Group, safety is understood to mean zero accidents and health to mean personal well-being. The Company is fully aware that both objectives are a standard that cannot be renounced and should be within the reach of all people that work for the Company.

ENDESA's OHS activities make no distinction between the Company's own personnel and employees of its collaborators.

The Enel Group's **One Safety** health and safety project adopted by the Company has two key areas:

- the consolidation of a leadership model in safe conduct, and
- the application, in adherence to a "no blame culture", of a single, global system of observation of conduct in the workplace.

Further, the **5+1 Global Improvement Areas Plan**, a set of long-term strategic initiatives to radically improve occupational health and safety, remains in place.

This scheme is being led by ENDESA's senior management and is structured around six working groups with prevention services playing a coordination and integration role.

The main initiatives carried out by ENDESA within the framework of this plan in 2013 focused on raising awareness of OHS among Company personnel, maintaining and forging new partnerships with collaborating companies, reinforcing health campaigns and developing proposals for future Health and Safety policies and standards across the Group.

Additionally, safety has been stepped up in Company and contractors' offices through initiatives such as **Cleaning Day** and **Safety Contractors' Day** and large scale events have been held throughout ENDESA such as the World Day for

Safety and Health at Work and the Enel Group's International Health and Safety Week.

Lastly, the Company continues to develop OHS initiatives through its 2011-2015 Safety Plan which forms an integral part of Enel's Health and Safety strategy.

2.1. Common occupational health and safety management

The Delfos tool, designed by ENDESA, addresses all Workplace Health and Safety processes; accident management, medical check-ups, safety inspections, risk assessment, preventive planning, etc.

The main objective of Delfos is to offer Group companies and businesses an efficient OHS management tool and collate information as well as helping to develop a common culture of managing OHS issues while taking into account local considerations.

The tool is available in all countries where ENDESA operates (Spain, Argentina, Brazil, Chile, Colombia and Peru) and is considered by our Holding company as a best practice to be extended to the rest of the Group. As such it has already been implemented in Enel's International Divisions (Russia, Romania and Slovakia) and at Enel Green Power (North America and Latin America).

Delfos Mobile allows onsite safety inspections to be carried out with information (photos, texts, geographic coordinates, etc.) being relayed in real time to the Delfos System and all employees involved in the process.

71% of ENDESA employees work in OSHAS 18001 certified work centres

Approximately 71% of ENDESA's workforce (16,338 employees) are employed in OHSAS 18001-certified workplaces.

Number of employees working in OHSAS certified workplaces	
Countries	Number of people
Spain	9,359
Argentina	1,068
Brazil	1,610
Chile	1,881
Colombia	1,488
Peru	932
Total Latin America	6,979
Total ENDESA	16,338

2.2. Occupational health and safety, training and inspections

In 2013, ENDESA provided a total of 197,165 training hours in occupational risk prevention for its own employees, a 22% increase in training on safety issues.

During the year, 173,451 health and safety inspections were performed on work and/or projects carried out by the Company's own and contractors' employees which had a significant impact on reducing the number of work-related accidents. This represents an increase of 215% vs 2012 in terms of number of inspections.

In 2013, ENDESA organised 197,165 hours of occupational risk prevention training for its own employees

Endesa Brazil increased its fleet of vehicle safety cameras, with 127,625 inspections performed, an increase of 54% in the number of crews monitored and a 49% rise on inspections carried out in 2012. This project was selected by the Brazilian electricity sector business management foundation committee (FUNDAÇÃO COGE) as the best OHS management project in the Brazilian electricity sector in 2013.

The One Safety initiative was also developed further in 2013. The project was implemented in all proposed sites with more than 2,700 people now involved and over 70,000 observations made.

2.3. Promoting a culture of occupational health and safety

For ENDESA, employee safety and well-being are of paramount importance.

The Company promotes initiatives to help reduce the number of accidents and develop a culture of workplace health and safety mainly through its One Safety programme and various activities carried out by the medical services.

The One Safety programme is a decisive step towards reaching the zero accidents target and promotes the incorporation of healthy and safe behaviours into people's lifestyles.

Additionally, 2013 saw the start up of different action plans deriving from the results of the 2012 Workplace Satisfaction and Safety Survey.

In November 2013 the 6th International Safety Week was held at Enel. ENDESA received two of the annual prizes awarded by the Group in the area of Health and Safety: one for its operations in Spain, in the One Safety category for its good management of the implementation of the programme's methodology at the Cas Tresorer plant in Palma de Mallorca and the other in Latin America for the best project, awarded to the IDEO for Safety programme.

ENDESA received 2 prizes in the OHS category at the 4th International Health and Safety Week

More than 64,452 medical check ups were also performed on ENDESA employees to improve their health and prevent risks.

Medical examinations and check ups, 2013

Spain	48,246
Argentina	7,075
Brazil	2,292
Chile	5,073
Colombia	1,467
Peru	299
Total	64,452

2.4. Occupational Health and Safety Committees

All of the Company's employees are represented on formal OHS Committees.

Within the ENDESA Group in Spain, workers are consulted on and involved in OHS issues through their Occupational Risk Prevention Delegates in the following bodies:

- The Management Participation and Control of Preventive Activities Commission.
- Territorial or Regional Occupational Health and Safety Committees.
- Provincial or Local Occupational Health and Safety Committees.
- Singular Building Occupational Health and Safety Committees.
- Power Plant Occupational Health and Safety Committees.
- Mining Occupational Health and Safety Committees.

The way that this system is structured and operates is detailed in ENDESA's Third Framework Collective Agreement.

All of the Company's employees are represented on formal OHS Committees. Within the ENDESA Group, workers are consulted on and involved in OHS issues through their Occupational Risk Prevention Delegates in the following bodies:

- Joint Hygiene and Safety Committees.
- Safety Management Committees.
- Safety Groups.
- Management Committee.
- Deputy managers' Committee.

In the Distribution business in Argentina 70 Safety Committee meetings were held in 2013 with technical and commercial departments in different areas of the company.

Further, 13 meetings were held with the General Manager and company senior executives. In the Generation business, Hygiene and Safety Committees were in place formed by workers representatives. These committees meet 20 times a year.

In Chile, a programme of OHS activities was carried out for employees for the second consecutive year in 2013, including awareness-raising initiatives and emergency drills, with the aim of reducing risks in the activities carried out by Enersis Group employees in both the Generation (Endesa Chile) and Distribution (Chilectra) areas. Additionally, there are 13 joint committees in place at Group companies, representing 100% of the workforce, in order to reinforce safe conduct on a daily basis thereby preventing work-related accidents.

In Brazil, the Company has several safety committees :

- The Endesa Brazil executive committee.
- The Brazil Distribution Committee.
- The OHS management committee.
- The Technical management committee.
- The Commercial management committee.
- The HR committee, P&C.

- Endesa Brazil, Distribution Brazil, Generation Brazil and Prátil results committee.
- Monthly contractors meeting.

16.3% decline in ENDESA's accident rate in 2013

In Colombia, 36 Hygiene and Safety committee meetings and 72 subcommittee meetings were held by EMGESA at the Alto Río Bogotá, Bajo Río Bogotá, Termozipa, Guavio, Central Betania and Central Cartagena plants, in addition to emergency meetings and meetings of the Mutual Aid Committee for the Termozipa and Alto Río Bogotá plants.

This trend continued in 2013:

- The **combined injury rate** for ENDESA employees and contractor staff fell by 16.3% year-on-year from 2.95 to 2.47.
- The **combined severity rate** dropped by 16.8% from 0.12 to 0.10.
- The absenteeism rate fell by 11% to 3,665 days lost due to absence during the year.

2.5. Lower accident rates

ENDESA's commitment to occupational health and safety has led to a significant reduction in accidents in recent years.

	Number of workplace accidents ⁽¹⁾		Injury rate ⁽²⁾			Severity rate ⁽³⁾		
	2013	2012	2013	2012	% change	2013	2012	% change
Spain and Portugal	114	167	2.15	3.23	-33.5	0.10	0.16	-36.4
Endesa employees	8	24	0.44	1.25	-64.4	0.02	0.07	-65.2
Contractor workers	106	143	3.07	4.39	-30.1	0.15	0.22	-32.7
Argentina	67	71	3.69	3.96	-6.8	0.22	0.20	11.9
Endesa employees	35	47	4.76	6.68	-28.7	0.27	0.28	-6.0
Contractor workers	32	24	2.96	2.20	34.5	0.19	0.14	34.4
Brazil	45	55	1.30	1.49	-12.8	0.10	0.11	-4.2
Endesa employees	2	2	0.37	0.36	2.9	0.01	0.07	-92.5
Contractor workers	43	53	1.47	1.69	-12.9	0.12	0.11	6.3
Chile	63	64	3.31	3.16	4.9	0.10	0.08	34.7
Endesa employees	4	4	0.71	0.74	-4.5	0.00	0.01	-61.8
Contractor workers	59	60	4.41	4.03	9.3	0.14	0.10	45.2
Colombia	140	137	3.41	4.19	-18.8	0.06	0.07	-24.5
Endesa employees	1	6	0.27	1.73	-84.2	0.01	0.04	-85.4
Contractor workers	139	131	3.71	4.48	-17.3	0.06	0.08	-22.3
Peru	17	17	1.17	1.26	-7.1	0.03	0.05	-28.1
Endesa employees	1	1	0.52	0.53	-2.2	0.05	0.01	682.1
Contractor workers	16	16	1.27	1.38	-7.8	0.03	0.05	-41.7
Other countries	0	0	0.00	0.00	–	0.00	0.00	–
Endesa employees	0	0	0.00	0.00	–	0.00	0.00	–
Contractor workers	0	0	0.00	0.00	–	0.00	0.00	–
Total	446	511	2.47	2.95	-16.3	0.10	0.12	-16.8
Endesa employees	51	84	1.20	1.97	-39.0	0.06	0.09	-34.6
Contractor workers	395	427	2.86	3.27	-12.5	0.11	0.13	-13.2

⁽¹⁾ Includes fatal accidents.

⁽²⁾ Total number of accidents excluding journeys to and from work vs. total number of hours worked multiplied by 1,000,000.

⁽³⁾ Total number of days lost, excluding journeys to and from work, vs. total number of hours worked multiplied by 1,000.

Injury rate⁽²⁾ for Company employees by gender ⁽¹⁾

	2012	2013
Spain	1.25	0.44
Men	1.09	0.55
Women	1.66	0.00
Argentina	6.68	4.76
Men	7.74	5.38
Women	0.00	0.96
Brazil	0.36	0.37
Men	0.48	0.24
Women	0.00	0.78
Chile	0.74	0.71
Men	0.89	0.87
Women	0.00	0.00
Colombia	1.73	0.27
Men	1.90	0.36
Women	1.19	0.00
Peru	0.53	0.52
Men	0.71	0.69
Women	0.00	0.00
Other countries	0.00	0.00
Men	0.00	0.00
Women	0.00	0.00

⁽¹⁾ Includes fatal accidents.

⁽²⁾ Total number of accidents excluding journeys to and from work vs. total number of hours worked multiplied by 1,000,000.

ENDESA employees absenteeism rate⁽¹⁾ (A.R. ⁽²⁾)

By country	2011	2012	2013
Spain	6,226	4,599	4,038
Argentina	7,110	7,303	6,944
Brazil	3,349	1,247	799
Chile	2,132	2,606	1,879
Colombia	1,509	1,767	1,896
Peru	2,467	1,701	1,603
Total	4,876	4,096	3,665

⁽¹⁾ The days lost through absenteeism do not include vacations, public holidays, authorised absences (maternity and paternity leave, etc.), nor absences for training.
Total number of working days lost due to absenteeism during the year vs. the total number of days worked during the same period, multiplied by 200,000 (50 working weeks of 40 hours for every 100 employees).

The absenteeism rate does not include jointly-controlled entities consolidated using the proportional consolidation method.

Days lost due to absenteeism: ENDESA employees in the year

By country	2011	2012	2013
Spain	70,867	58,113	49,838
Argentina	29,958	33,995	34,499
Brazil	14,649	4,293	2,396
Chile	7,003	7,496	6,444
Colombia	2,757	3,269	2,329
Peru	3,001	2,037	3,108
Total	128,235	109,203	98,614

	Number of fatal accidents		Number of serious accidents (100%) ⁽¹⁾		Number of minor accidents ⁽¹⁾		
	2013	2012	2013	2012	2013	2012	% change
Spain	2	1	4	4	108	162	-33.2
Endesa employees	0	0	0	1	8	23	-63.6
Contractor workers	2	1	4	3	100	139	-28.2
Argentina	1	0	0	3	66	68	-2.9
Endesa employees	1	0	0	2	34	45	-24.4
Contractor workers	0	0	0	1	32	23	39.1
Brazil	1	3	2	4	42	48	-12.5
Endesa employees	0	0	0	0	2	2	0.0
Contractor workers	1	3	2	4	40	46	-13.0
Chile	1	1	4	3	58	60	-3.3
Endesa employees	0	0	0	0	4	4	0.0
Contractor workers	1	1	4	3	54	56	-3.6
Colombia	1	1	2	3	137	133	3.1
Endesa employees	0	0	0	0	1	6	-83.3
Contractor workers	1	1	2	3	136	127	7.1
Peru	2	0	0	0	15	17	-11.8
Endesa employees	0	0	0	0	1	1	0.0
Contractor workers	2	0	0	0	14	16	-12.5
Other countries	0	0	0	0	0	0	-
Endesa employees	0	0	0	0	0	0	-
Contractor workers	0	0	0	0	0	0	-
Total	8	6	12	17	426	488	-12.6
Endesa employees	1	0	0	3	50	81	-37.8
Contractor workers	7	6	12	14	376	407	-7.6

⁽¹⁾ Includes accidents with sick leave of 2-30 days.

	Number of fatal accidents		Number of serious accidents		Number of minor accidents ⁽¹⁾	
	2013	2012	2013	2012	2013	2012
Spain	0	0	0	1	8.3	21.9
Men	0	0	0	1	8.3	15.9
Women	0	0	0	0	0.0	6.0
Argentina	1	0	0	2	34.0	45
Men	1	0	0	2	33.0	45
Women	0	0	0	0	1.0	0
Brazil	0	0	0	0	2.0	2
Men	0	0	0	0	1.0	2
Women	0	0	0	0	1.0	0
Chile	0	0	0	0	4.0	4
Men	0	0	0	0	4.0	4
Women	0	0	0	0	0.0	0
Colombia	0	0	0	0	1.0	6
Men	0	0	0	0	1.0	5
Women	0	0	0	0	0.0	1
Peru	0	0	0	0	1.0	1
Men	0	0	0	0	1.0	1
Women	0	0	0	0	0.0	0
Other countries	0	0	0	0	0.0	0.0
Men	0	0	0	0	0.0	0.0
Women	0	0	0	0	0.0	0.0
Total	1	0	0	3	50.3	79.8
Men	1	0	0	3	48.3	72.8
Women	0	0	0	0	2.0	7.0

⁽¹⁾ Information is only provided for ENDESA employees, as a gender breakdown for employees of contractor companies is not available.

- The combined injury rate fell by 12.7% to 446. The number of serious accidents also declined by 29% to 12, and the number of minor accidents was 12.6% down at 426. There were eight fatal accidents, two more than in 2012.

2.6. Recognition for our work

ENDESA's commitment to Occupational Health and Safety has been recognised through the following prizes and public awards:

- In Peru, Edelnor was awarded a prize in the "Experiencia Exitosa 2012" contest organised by Seguros Rímac,

which drew more than 40 competitors. The Company was recognised not only for its work in the area of prevention - OHS and workplace risk control and the excellent results obtained in the development of new solutions - but also for its work in the area of prevention and awareness-raising in relation to electrical risk and the responsible use of electricity in the home developed by the Company in coordination with municipal bodies and the community.

- In Chile, Chilectra received the prize for Efforts in Risk Prevention in recognition of the initiatives rolled out in the area of safety and accident risk prevention. It also received the National Security Council Award for the lowest injury rate in its group/category.

- In Brazil, Endesa Fortaleza was named the third best company in the Brazilian Electricity Sector in terms of injury statistics in the Generation business and was recognised by the Brazilian Association of Concession Companies in the Electricity Sector. Also, the vehicle camera project was selected by the FUNDAÇÃO COGE as the best OHS management project in the Brazilian Electricity Sector in 2013. Additionally, Coelce was awarded the highest recognition in the National Workplace Health and Safety contest during the SESI / SENAI Workplace Health and Safety day by the State of Ceará Industry Federation (Fiec) in Fortaleza.
- ENDESA's operations in Latin America were awarded an Enel safety award in the Safety Innovation category at the 6th International Health and Safety Week (IHSW) for the Ideo for Safety programme.
- The Spanish business received another safety award in the One Safety project category for its good management of the implementation of the programme methodology at the Cas Tresorer plant in Palma de Mallorca.
- In Brazil, the award for employees went to electricians who were recognised for their work in the area of Safety. In Chile, the company Inser was recognised for achieving one year without accidents and Consorcio for achieving a zero accident rate. Prizes were also awarded to employees and supervisors in the area of risk prevention and the environment. In Colombia, the safest workers were recognised.

3. Responsible people management at ENDESA

ENDESA aims to create a healthy, well-balanced working environment, where respect and personal consideration take priority; an environment that offers professional development opportunities based on merit and ability.

To put this responsible management into force, ENDESA groups all corporate sustainability initiatives for people in its Corporate Social Responsibility Plan for Human Resources, known as the Senda Plan. The aim of this plan is to progress in the area of HR management predicated on the integration of different groups, employee satisfaction, respect and development. In short, a more human, efficient and productive approach to talent management.

In 2013, the Senda Plan was recognised as a best practice in Corporate Social Responsibility



As part of the Senda Plan every year various initiatives are developed in each area of the programme:

- Managing diversity and equal opportunities.
- Work-life balance and flexibility.
- Integration of disabled persons and people at risk of social exclusion.

- Encouragement of volunteering.
- Socially responsible investment.

The Senda Plan, which forms part of ENDESA's Sustainability Plan, is rolled out at local level through the different Senda country plans which are designed specifically for each region. Global and country-specific targets are set each year and performance indicators are used to measure the results obtained and to ensure the plan is successfully implemented.



In 2013 the Plan was awarded a distinction in the area of corporate social responsibility in the Cegos - Equipos&Talento awards for the best practices in human resources.

3.1. Employee satisfaction, one of our priorities

ENDESA strives to achieve the highest possible satisfaction of its employees, providing them with opportunities under conditions of equality, respecting the balance between their personal and work lives, and encouraging dialogue as a means for resolving disputes and continuous improvement.

In 2013, activities were carried out in relation to various objectives. One of these, which spans various aspects of the

Senda Plan, is an online course containing content on the following:

- People with disabilities: to raise awareness of how disabled people should be treated in a work environment and learn what other skills they have to be developed.
- Striking a work-life balance: benefits for the employee, manager and company.
- Diversity: various types of diversity and what they can offer companies.

2,860 employees in Spain attended the course, 945 in Colombia and 896 in Chile.

3.1.1. ENDESA's strong commitment to equality

ENDESA is firmly committed to the principles of gender equality and non-discrimination in the workplace. The aim is to be a company which respects and manages differences among its employees, guaranteeing equal treatment and opportunities.

We would point out, that as in previous years, in 2013 no incidents of discrimination occurred at the Company.

As in previous years, objectives were established in relation to increasing the number of women hired to make the workforce more equal. In Spain, 40% of new hires were women and in Latin America Colombia stands out with 31% followed by Brazil with 28%.

In 2013, 40% of new hires in Spain were women, and 31% in Colombia, meeting the objectives set

The number of women in executive and middle-management posts stands at 27%. In total, female employees at ENDESA accounted for 21% of the workforce in 2013.

Women executives and middle managers compared to total executives and middle managers

Spain	27.03
Portugal	20.83
Argentina	19.77
Chile	19.81
Brazil	33.01
Peru	23.05
Colombia	36.66
Total	26.97

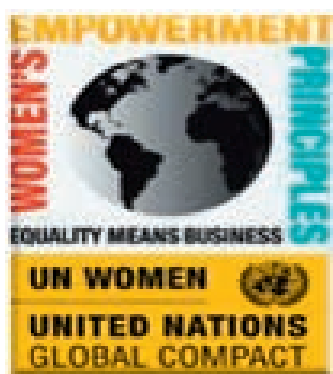
In 2013, the quantitative and qualitative analysis of gender diversity was concluded and the results compared with similar studies carried out in 2007 and 2009. To obtain employees' viewpoints on this issue a qualitative analysis was performed through focus groups in Spain and Latin America. The completed study analyses data by country and business line, in addition to the different HR processes, includes a benchmarking study and defines key indicators for further monitoring.

The conclusions obtained will be used to prepare a specific action plan to improve vertical and horizontal diversity issues. The plan includes strategic, transversal and specific initiatives to be rolled out over the next few years.

In 2012, ENDESA signed up to the programme developed by Spain's Ministry of Health, Social Services and Equality to foster a society free of domestic violence. In 2013, the Company strengthened its pledge to help eradicate crimes of domestic violence and has offered to collaborate with the Ministry by launching awareness and prevention campaigns.

Further, in Spain all the measures laid down in the Equity Plan forming part of ENDESA's Fourth Master Collective Bargaining Agreement concluded at the end of 2013 have been developed and built on. The assessment and monitoring of these measures is carried out jointly by the Company's management and the trade unions, through the joint equal opportunities commission provided for in the collective bargaining agreement.

In 2010, ENDESA was awarded the "Equality in the Workplace" seal by the Spanish Ministry of Health, Social Services and Equality. As a result, in late 2013 a report was prepared to renew the seal for a further three years. ENDESA has also joined the network of companies that hold this award.



In Latin America, Enersis, Endesa Chile and Chilectra are holders of the *Iguala seal*, a certification granted by the Chilean National Service for Women (Sernam). This seal recognises public and private entities that have included good working practices in the area of gender equality in their HR management model. To promote diversity in Colombia, a Corporate Programme for Recognition of merit and positive attitude among employees and managers is being developed.

In 2013, ENDESA took part in the annual event sponsored by the UN on Women Empowerment Principles (WEPs) held in New York in March. ENDESA has been a signatory to these principles since 2010.

In the same context, ENDESA collaborated on the launch of the www.WEPprinciples.org website, where the Company is listed as one of the signatories of the principles and cites some of its best practices in the area of gender equality.

The Company also played an active part in the WEP working group and its new reporting model.

3.1.2. Striking a balance between professional, personal and family life

ENDESA is taking further steps to reinforce a flexible working environment and seeks to enable its employees to strike a balance between their personal, family and professional life.



At its Barcelona, Madrid and Seville offices, the Company provides breast-feeding rooms for nursing mothers. Women may use these private facilities to continue this practice after their maternity leave has expired. There are already similar rooms in place in Colombia, Peru and Chile. Specifically, in Peru, as part of the Breast-Feeding Week organised by the Directorate General of the Family and the Ministry of Women Community, jointly with the Ministry of Health and the Ministry of Work, an awareness campaign was launched under the slogan «Yes, it is possible to work and breast-feed».

In 2013, ENDESA, which holds certification in Spain as a Family-Responsible Company, passed the maintenance audit for this model and raised the score achieved in the previous audit: obtaining «proactive plus» classification.

Chile obtained certification from the Fundación Más familia (family foundation) and Colombia successfully passed the maintenance audit for certification.

Teleworking

Another step taken by ENDESA in its commitment to maintaining and improving a work-life balance is teleworking.

In 2013, all the Company's operations in Latin America had a system of teleworking in place. The number of teleworkers by country at August 2013, was as follows:

Argentina	27
Brazil	69
Chile	37
Colombia	122
Peru	49
Total Latin America	304

3.1.3. Commitment to people with different capabilities

ENDESA carries out various initiatives to integrate staff with disabilities. As a result, 227 members of staff currently have different capabilities (100 disabled employees in Spain, followed by Brazil with 66, Argentina with 30, Chile with 16, Colombia with 13 and Peru with 2).

ENDESA has 227 disabled employees

In Spain, the following actions were carried out in 2013:

- Collaboration agreements were maintained with the Adecco, Randstad, Prevent, Universia and Prodis

Foundations. Various initiatives were also rolled out, including:

- Informative workshops for staff.
- A suggestions and queries mailbox for issues relating to disabilities for ENDESA employees and their families. The aim of this initiative is to provide advice and address all types of queries relating to disability affecting employees or their family members.
- As an alternative to direct hiring, ENDESA has focused on indirect initiatives such as purchasing goods and services from special employment centres. In 2013, this activity was valued at Euro 2,931,843.
- The Family Plan, developed by the Adecco Foundation was also continued. Through this plan, 87 employee families with a disabled member received various types of advice and therapy.



Employees returning to work and retained following maternity or paternity leave, by gender in 2013

	Spain and Portugal	Argentina	Chile	Brazil	Peru	Colombia	Total
Employees taking paternity leave	202	0	0	2	13	29	246
Employees taking maternity leave	82	2	38	44	6	19	191
Employees returning to work following paternity leave	202	0	0	2	13	29	246
Employees returning to work following maternity leave	97	2	15	31	6	19	170
Number of employees returning to work following paternity leave still working 12 months after their return	203	0	0	n/a	13	28	244
Number of employees returning to work following maternity leave still working 12 months after their return	97	2	15	n/a	6	18	138

ENDESA's companies in Latin America are also developing various measures to help integrate disabled people into the workforce. These include:

- The "Entrance programme" offers disabled students work placements at various Group companies in Chile. Rolled out three years ago, this programme aims to help students join the workplace and provide them with the necessary tools for their future working lives.
- Endesa Brazil has signed an agreement with the Brazilian Institute for the Rights of the Disabled and together they are looking at the vacancies within the Company and the possibility of hiring employees with disabilities. The Company also supports young sportsmen and women with disabilities in Fortaleza (Ceará).

In Colombia, the Company has taken on 10 apprentices, 9 of who are visually impaired and one with a physical disability. All are being trained to obtain the qualification of Technical Administrative Assistant through the National Apprenticeship Service.



A programme to foster youth employment, Crecer +, has been implemented since 2012 to help people at risk of exclusion. This four-year project, signed in 2011 by the Adecco Foundation and ENDESA, seeks to boost the employability of young people aged between 17 and 24 at risk of social exclusion in Spain and Latin America.

Under the scheme, participants can attend various orientation and training workshops to help improve their possibilities of entering the job market.

The breakdown of participants by country to year-end 2013 are as follows:

Country	2012	2013	Accumulated
Argentina	469	490	959
Brazil	87	121	208
Colombia	63	100	163
Chile	60	55	115
Peru	108	62	170
Latin America	787	828	1,615
Male	441	512	953
Female	346	316	662

3.1.4. Support for volunteers

ENDESA facilitates and encourages corporate volunteering among its employees. It is committed to the development of the communities in which it operates and contributes to their cultural, educational, environmental and social development.



ENDESA is a founding member of *Voluntare*, the first international initiative to promote corporate volunteerism, comprising not-for-profit companies and entities. It is a meeting point for all institutions interested in corporate volunteerism, offering access to information and value-added resources to facilitate and/or improve their corporate programmes.

In 2013, the first study on corporate volunteerism was launched combining the perspectives of the both the Company and Not-for-Profit Organisations, to offer a global perspective.

In early December, the Corporate Volunteer Guidelines were presented in Madrid, detailing the conclusions collated by the working groups during the year:

- Motivating employees to participate in corporate volunteerism.
- Corporate Volunteer Programme 2.0.
- Development of skills through corporate volunteerism.
- Companies and NGOs working together in the area of corporate volunteerism.
- Corporate volunteerism for development: 360° impact.
- Measuring the impact of corporate volunteerism.

For further information, see section 3.5 of the chapter on «Strengthening ties with local communities». *Corporate Volunteerism* (pg. 251).

3.2. Workplace environment

In November 2012 a Workplace Environment and Safety survey was conducted simultaneously throughout the Enel Group among 75,000 employees in 40 countries, including ENDESA personnel.

The survey contained 97 questions, divided into 12 categories: Sustainable Commitment, Communication, Change Management, Meritocracy and Development, Corporate Social Responsibility and Diversity, Innovation, Image, Labour Relations, Leadership, My Direct Boss, Efficiency and Operating Excellence and Safety.

ENDESA achieved a participation rate of 76% and a commitment level of 74% in the survey.

Results highlights included:

- ENDESA performed well in several areas of the survey, i.e. efficiency and operating excellence, internal relations and My Direct Boss.
- However, improvement is needed in the areas of leadership, change management, and meritocracy and development, particularly at team management level.

Three-tiered action plans were designed for 2013:

- Workplace Environment Action Plan: applicable to whole Company, in which 15 actions have been defined in the areas of meritocracy and development, leadership and change management. One of these initiatives has been selected for implementation at global level in all Enel Group companies, specifically: *the why Generation Project: a motivation plan for talented young employees aged under 31*.

- Workplace Environment Action Plan for all Departments: subsequent to the results obtained in the survey for each area, General Managers have defined 219 initiatives for:
 - Business lines, territories and support areas in Spain and Portugal;
 - Business lines, territories and support areas in Latin America;
 - ENDESA support areas.

These initiatives focus mainly on the areas of meritocracy and development, change management, leadership and communication.

- Workplace Environment Action Plan for Managers: 1,806 specific measures have been designed and prepared by Company managers to address the critical areas revealed in the Workplace Environment Survey for each business unit.

These measures relate to:

- Business lines, territories and support areas in Spain and Portugal;
- Business lines, territories and support areas in Latin America;
- ENDESA support areas.

The measures defined by ENDESA's management focus mainly on the areas of communication, change management, meritocracy and development and leadership.

The 2,025 measures contained in these plans are aimed at enhancing the Company's strengths and using them as leverage to enhance the improvement areas identified.

4. People leadership and development

ENDESA continually seeks to identify and develop the potential of its employees so that their performance can contribute to making the Company a reference in the electricity sector. Therefore, the Management and Leadership Models shared with the rest of the Enel Group ensure the personal development of employees based on recognition of merit.

4.1. Management model Enel Global Banding System

In 2013, the Management Model saw a shift towards a new system known as the Enel Global Banding System. A single model that encompasses all the key roles and posts in the Enel Group.

This new model aims to identify and define the technical/professional posts within the Company and assess management positions. It includes all the posts needed for the Company to function correctly.

4.2. Leadership Model

The Leadership Model comprises the set of behaviours that the Company expects from all its employees. It provides ref-

erences to allow employees to work consistently towards their objectives and in line with its mission, contributing to building the position of business leadership sought.

The behaviours described in the Leadership Model are also used to appraise the performance of employees.

- **BPR (Behaviour Performance Review)**

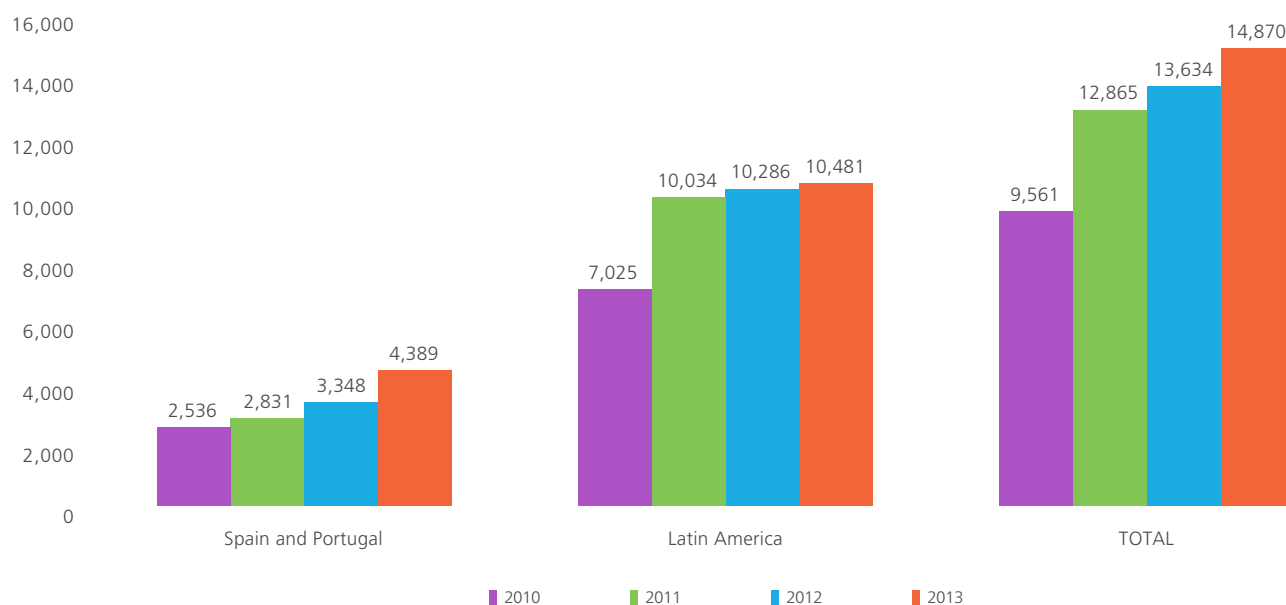
This appraisal system evaluates employee behaviour grouped around the seven factors which comprise the Group's Leadership Model.

11,894 Group employees were appraised using this system in 2013.

- **Performance and professional development appraisals**

In 2013, 65.76% of employees received a regular performance and professional development appraisal. In terms of responsibility (according the Enel Group classification system), of a total of 15,123 employees assessed, 7,290 were middle management and 7,180 were administrative

Number of performance and professional development appraisals



and office staff. In terms of gender, more male employees than female employees were assessed (76% of those appraised using the various processes were men while 24% were women).

65.76% of employees received performance and professional development appraisals

• Employee appraisals

In 2013, Potential Appraisals were performed on 3,180 employees in Spain, Portugal and Latin America. This appraisal is carried out every two years for executives and specific employees.

• 360° assessments

In 2013, 156 employees took part in this form of assessment. Those taking part are members of the Company's highest organisational level and those belonging to certain talent groups. The results of the appraisal are used to calculate their annual variable remuneration.

More than 1,500 people were involved in the process in 2013 (including assessors and those assessed).

• Objective-based assessments

The Objective-based Assessment is one of the systems forming part of the Talent Management Model, and measures the individual contribution of each person to the Company's results. In 2013, 10,262 people were appraised using this system, 1,249 more than in 2012.

Coverage of regular (at least once a year) performance and development appraisals

			Spain and Portugal	Argentina	Chile	Brazil	Peru	Colombia	Total
Employees receiving regular performance and development appraisals	%	2011	24	85	90	96	97	91	57
		2012	29	83	92	99	96	92	60
		2013	44	84	95	97	100	99	70
Employees receiving regular performance and development appraisals (male)	%	2013	69	84	79	76	75	73	76
Employees receiving regular performance and development appraisals (female)	%	2013	31	16	21	24	25	27	24
Total number of employees appraised	.	2011	2,831	2,937	2,150	2,660	838	1,449	12,865
		2012	3,348	2,963	2,270	2,636	904	1,513	13,634
		2013	4,389	3,345	2,293	2,581	934	1,581	15,123
Executives appraised	.	2011	290	35	76	27	15	23	466
		2012	337	32	92	26	18	26	531
		2013	320	32	97	26	19	26	520
Middle management appraised	.	2011	2,239	472	1,466	1,200	474	878	6,729
		2012	2,373	478	1,498	1,316	526	932	7,123
		2013	2500	455	1,509	1,280	556	990	7,290
Administrative and office staff	.	2011	293	2,428	608	1,428	349	541	5,647
		2012	609	2,451	680	1,294	360	549	5,943
		2013	1,444	2,856	687	1,275	359	559	7,180
Manual workers appraised	.	2011	9	2	0	5	0	7	23
		2012	29	2	0	0	0	6	37
		2013	125	2	0	0	0	6	133

5. Training at ENDESA

5.1. Key data and highlights

In 2013, 6,558 events were held, an increase of 6% on 2012, in which 18,765 employees took part. 965,565 training hours were given, with an average of 41.99 hours per employee.

ENDESA has invested more than Euro 8 million in this activity, an average of Euro 351 per employee. These figures are 13% lower than the previous year. Factoring in total

external costs, including Operations and Maintenance, the investment stands at Euro 9.2 million. Taking into account hours per employee invested in training and corresponding personnel costs, the figure stands at Euro 48.9 million.

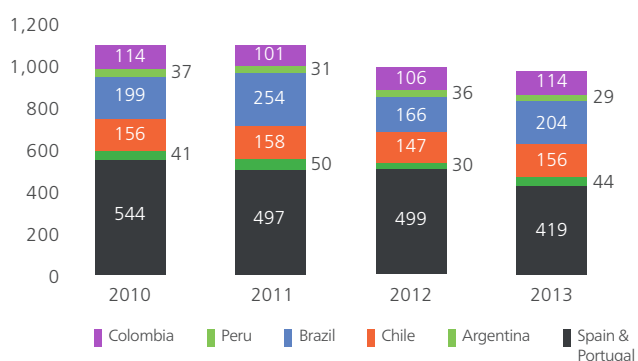
In 2012, 93.5 training hours were given per thousand euros invested, while in 2013 this figure rose to 105.2. This indicates a 12.5% efficiency improvement vs. the previous year.

Training in Sustainability

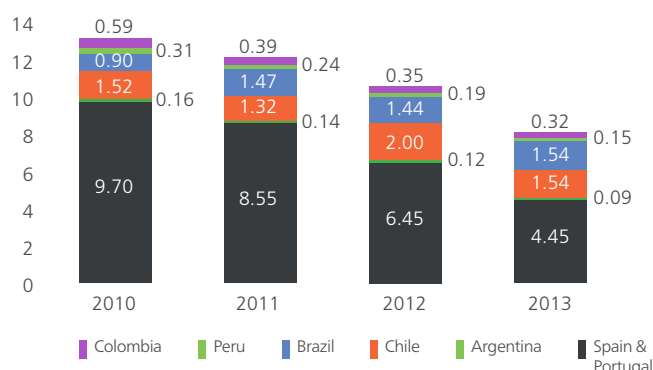
		Spain and Portugal	Argentina	Chile	Brazil	Peru	Colombia	Total
Training hours in sustainability (environment, health and safety, etc.) per employee	2011	12	4	8	9	3	5	9
	2012	10	3	4	9	8	12	8
	2013	12	4	7	18	8	8	10
Total hours of training in sustainability	2011	138,812	12,641	19,618	24,375	2,925	7,406	205,777
	2012	120,479	9,444	10,853	24,427	7,969	19,497	192,669
	2013	130,075	15,061	17,268	48,097	7,251	13,667	231,418

Country	Onsite and online training hours	People trained	Participation	Number of events	Total training cost (thousands of euros)
Argentina	44,487	1,956	5,317	454	1,519
Brazil	203,814	2,228	6,590	628	5,504
Chile	155,633	2,292	10,631	1,168	7,583
Colombia	113,699	1,629	7,672	482	2,067
Spain	419,395	9,788	45,141	3,451	31,194
Peru	28,537	872	4,411	416	1,078
Total	965,565	18,765	79,762	6,558	48,945

Consolidated activity trends 2010-2013
(measured in thousands of hours)



Consolidated external academic investment trends 2010-2013
(measured in thousands of euros)



(*) Note: Costs for Brazil include indirect training expenses.

Number of training hours by type of training

		Spain and Portugal	Latin America	Total
Online management training	2011	7,998	9,011	17,009
	2012	3,746	13,404	17,150
	2013	68,939	19,448	88,387
Onsite management training	2011	35,922	103,899	139,821
	2012	36,289	55,292	91,580
	2013	80,572	155,803	236,375
Online technical/specific training	2011	108,817	35,097	143,914
	2012	137,988	43,740	181,728
	2013	65,604	45,086	110,690
Onsite technical/specific training	2011	345,181	450,169	795,350
	2012	321,257	372,413	693,670
	2013	204,280	325,832	530,112

Average training hours per employee, by gender and professional category

	Spain and Portugal	Argentina	Brazil	Chile	Colombia	Peru	Total
Executive training							
2012	156.5	13.3	191.2	87.7	185.3	75.1	126.3
Male	160.19	13.40	205.55	84.79	197.98	62.33	137.03
Female	131.82	12.00	128.00	141.80	83.67	122.75	122.25
2013	113.7	14.2	93.5	154.2	94.4	52.5	111.4
Male	114.5	13.7	96.4	148.0	95.9	33.5	111.1
Female	108.9	16.8	77.7	234.4	87.1	123.9	113.4
Middle management training							
2012	57.22	11.1	81.5	64.9	75.5	52.2	52.6
Male	47.7	9.7	80.8	65.6	80.6	51.5	49.1
Female	81.5	17.10	83.1	62.3	66.1	54.5	61.7
2013	51.7	10.2	84.8	64.6	62.7	38.2	57.9
Male	53.3	9.9	83.7	66.6	67.0	39.4	58.6
Female	47.8	11.2	87.0	57.2	54.5	34.2	55.8
Training for administrative and office staff							
2012	37.4	8.0	40.7	45.5	44.5	16.5	28.4
Male	40.0	9.0	43.7	48.5	43.2	14.4	30.3
Female	25.4	2.1	25.6	35.0	50.4	21.1	19.8
2013	32.1	11.4	67.3	44.4	69.8	17.1	32.3
Male	33.0	12.3	72.0	48.3	71.3	18.2	33.6
Female	27.8	5.5	43.9	30.6	62.5	14.5	25.9
Manual worker training							
2012	21.7	6.8	0	0	13.8	0	21.5
Male	23.4	6.8	0.00	0.00	14.8	0.00	23.3
Female	15.6	0.00	0.00	0.00	0.00	0.00	15.5
2013	18.0	0.5	0	0	3.5	0	17.8
Male	18.7	0.5	0	0	3.7	0	18.5
Female	15.6	0	0	0	0	0	15.5

5.2. Enel University at ENDESA

In 2013, ENDESA's training units merged with Enel's corporate university, Enel University. This department, with the support of Human Resources and Organisation, provides training services for all areas where needs are detected.

In 2013, a training plan was initiated to address the needs of the different business areas, and with this objective, priority was given to Occupational Health and Safety, where a single, aligned global culture has been implemented, in addition to the development of technical capacities to meet the business objectives.

Endesa Energy School

As part of its commitment to people, the objective of ENDESA's Energy School is to recruit and train key personnel, building a network of knowledge and talent that contributes to the development of its technological leadership.

Endesa Energy School is a centre of academic excellence and innovation within Enel University.

The Energy School focuses on several interrelated activities:

- Nurturing and selecting talent. More than 30 young technicians are selected and trained to join ENDESA each year. Some 150 former students (engineers, physicists, mathematicians, chemists, etc.) who were trained at ENDESA's Energy School are currently working in different countries where the Enel Group is present.
- A link that coordinates and facilitates ENDESA's relationship with universities. Optimising ENDESA's relationships with universities, research centres, business schools, foundations, etc.
- A technical research hub. The Energy School has sponsored all the Novare awards both for employees and the

scientific community. Numerous research projects which have gone on to offer solutions for real technical problems have evolved from these awards.

- Technical Business Knowledge Management. Creating, retaining and transferring critical Company knowledge through different programmes and initiatives.

5.3. International initiatives

The opening of Enel University saw the consolidation of several of ENDESA's international initiatives in order to make training more global and generate economies and efficiencies of scale. Further, these initiatives have permitted the dissemination of global messages and the development of standard skills and behaviours across ENDESA.

The GOAL (Global One & Align) Managerial Training course was also designed for all Enel Group managers, in addition to the Junior Energy Training (JET) programme for newly recruited talent.

Further, using e-Learning methodology, two programmes were designed and taught to disseminate Enel's Code of Ethics and the Senda Plan respectively (the latter to promote integration and strengthen diversity management as specified in this project).

Lastly, in order to make this a training management tool, the Enel Learning System, was implemented, an online training platform and learning management system (LMS).

5.4 Training in Spain and Portugal

The 2013 Training Plan in Spain and Portugal helped achieve the planned targets and provide support for the organisational changes effected.

Main objectives set for the year included:

- The standardisation and implementation of a managerial training model and management skills.
- The prioritisation of training in Occupational Health and Safety and Technical Training.
- Increased online training.

5.5. Training in Latin America

As a key part of the integration of companies in Argentina, a plan was designed by the training area for new technical administrative staff in the distribution and generation businesses. The objective was to provide general knowledge of the Company.

Training in accident prevention was also given.

In Brazil, training initiatives included courses in specialised technical know-how. Various courses were also designed by internal staff, such as: How to Handle Non-Conformities, Inspections of HV/MV Distribution Lines and Contract Managers.

In Chile, training courses were provided on business strategies. And the virtual forum, Latam Campus, served as an e-learning platform.

Additionally, one of the Enersis Group's defined strategic lines is the accreditation of skills of contractor employees working for its Power Generation and Distribution services.

In Colombia, the key training initiatives rolled out in 2013 include the Knowledge Community, aimed at strengthening the teaching skills of employees specialising in different fields. The Endesa Colombia Sales and Services School was also implemented.

Additionally, the certification programme for employment skills was continued, in addition to training programmes to obtain certification as a family responsible company, a professional training programme was initiated jointly with the Gran Colombiano Polytechnic University and working groups with employees and collaborating companies were organised with the National Apprenticeship Service (Sena) for the 2nd academic training programme on maintenance technology for power distribution lines.

In Peru, training was aimed mainly at reinforcing the Company's main strategic lines, focusing on global training and prioritising training in workplace health and safety to help meet the "zero accidents" objective, technical business skills, English language classes, soft skills, regulations, advanced office tools and customer services. In addition to specialist technical training, training relating to internal customer services and the first diploma course in Energy Regulation.

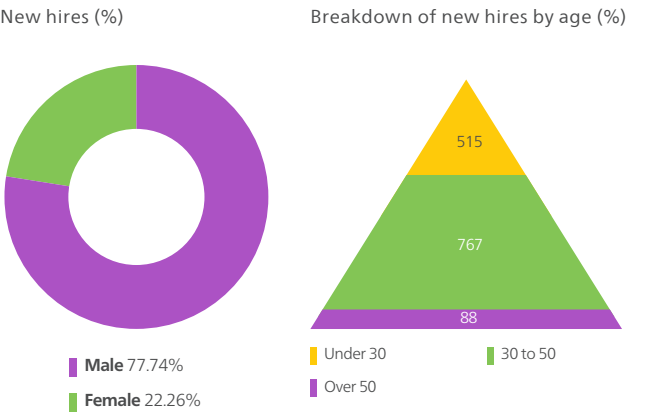
6. Attracting and retaining talent

In order to attract the best talent, ENDESA focuses on Employer Branding to promote itself as an attractive place to work in all the markets where the Company is present, especially among those profiles that are in most demand. In 2013, job fairs were attended in person and online, working with a number of institutions to boost the Internship and Scholarship Plan, and trade fairs were attended.

In 2013, ENDESA recruited 1,370 employees, of which 1,165 were hired in Latin America (93% of these local workers). 14.9% of these new hires were in Spain and Portugal, with the remaining 85.1% in Latin America. In Latin America, 38.5% of new employees were managers and middle managers.

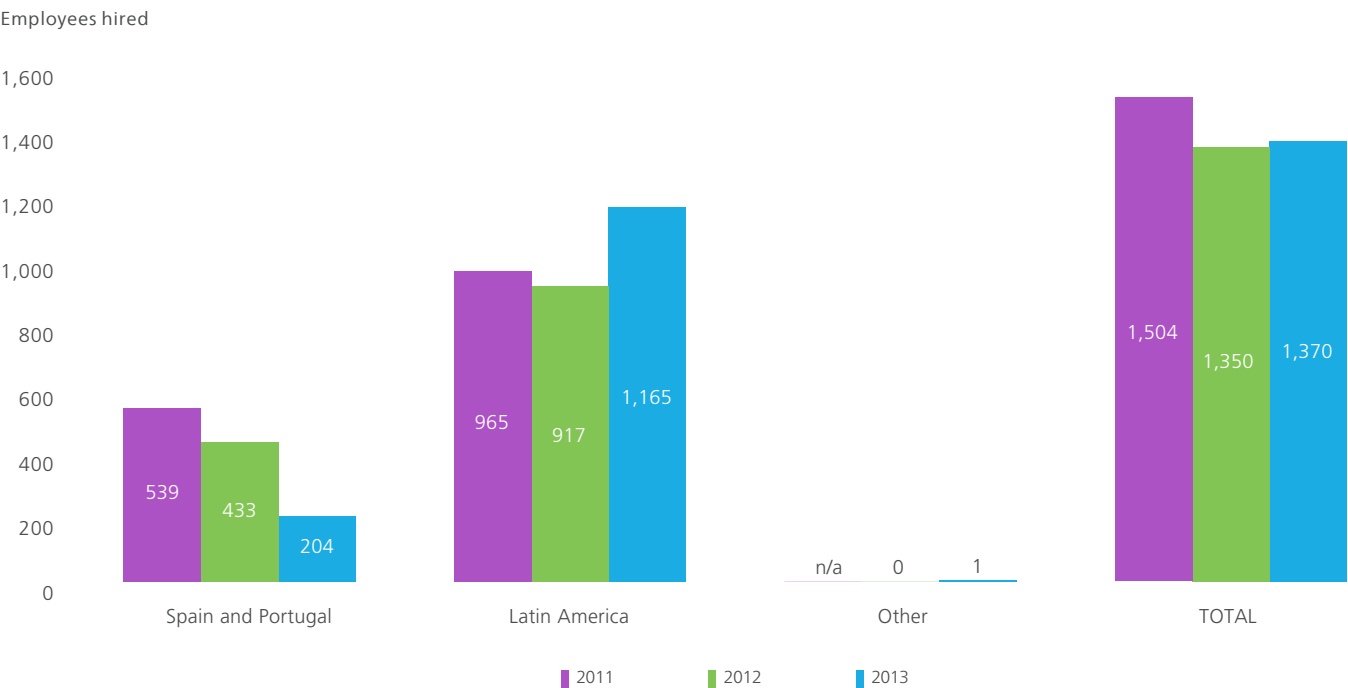
Further, 80.4% of the total new hires in this region were men - 36% aged under 30, 56% aged between 30 and 50 and 8% aged over 50. In Spain, 60% of the new hires were men and the remaining 40% were women. 47% were aged under 30 and the remaining 53% were aged over 30.

Wherever possible, ENDESA covers vacancies through internal promotions, giving priority to employees who have performed exceptionally.



6.1. International mobility

ENDESA promotes international mobility as a means of multicultural development and integration. In 2013, 88 positions were advertised in Latin America in all business areas, 44 of these corresponded to vacancies in countries



Contract termination, by gender

			Spain and Portugal	Argentina	Chile	Brazil	Peru	Colombia	Total
Total women leaving workforce (resignation, redundancy and retirement)	Number	2011	191	42	185	137	71	162	788
		2012	45	4	18	n/a	3	18	88
		2013	61	6	13	27	6	15	128
Total men leaving workforce (resignation, redundancy and retirement)	Number	2011	981	160	742	289	332	372	2,876
		2012	342	29	74	n/a	25	34	504
		2013	253	61	63	51	21	42	491
Total women leaving compared to women in workforce (%)	%	2011	7.8	8.6	38.2	20.2	31.4	38.2	16.6
		2012	1.84	0.75	3.53	0	1.24	4.02	1.8
		2013	2.57	1.04	2.51	4.05	2.50	3.10	2.63
Total men leaving compared to men in workforce (%)	%	2011	10.59	5.4	38.8	13.85	52.12	31.66	15.9
		2012	3.76	0.95	3.79	0	3.59	2.85	2.80
		2013	2.88	1.80	3.17	2.54	3.01	3.33	2.71

Contract termination, by age

			Spain and Portugal	Argentina	Chile	Brazil	Peru	Colombia	Morocco	Total
Total number of employees aged under 30 leaving the company (resignation, redundancy and retirement)	Number	2011	50	35	161	106	79	181	0	612
		2012	1	5	18	n/a	4	13	n/a	41
		2013	4	3	7	30	6	4	0	54
Total number of employees aged between 30 and 50 leaving the company (resignation, redundancy and retirement)	Number	2011	263	92	639	247	269	329	2	1,841
		2012	108	10	66	n/a	23	38	n/a	245
		2013	19	4	50	44	14	39	0	170
Total number of employees aged over 50 leaving the company (resignation, redundancy and retirement)	Number	2011	1,098	71	64	72		17	0	1,322
		2012	278	18	8	n/a	1	1	n/a	306
		2013	291	60	19	4	7	14	0	395
Total number of employees under 30 years old	Number	2011	612	602	252	420	49	201	n/a	2,136
		2012	407	568	187	349	69	143	n/a	1,723
		2013	659	682	291	369	61	197	0	2,259
Total number of employees aged between 30 and 50	Number	2011	7,238	1,886	1,532	1,860	561	1,193	2	14,272
		2012	6,893	1,810	1,567	1,643	539	1,229	2	13,683
		2013	6,369	2,180	1,545	1,737	561	1,282	3	13,676
Total number of employees aged over 50	Number	2011	3,777	949	580	483	252	190	0	6,231
		2012	4,235	1,191	707	666	330	272	n/a	7,401
		2013	4,139	1,101	671	566	316	266	0	7,059
Total number of employees leaving company (resignation, redundancy and retirement) aged under 30 compared to total workforce in this age group	%	2011	8.18	5.81	63.89	25.24	161.22	90.05	n/a	28.66
		2012	0.25	0.88	9.63	0	5.80	9.09	n/a	2.38
		2013	0.61	0.44	2.41	8.13	9.84	2.03	n/a	2.39
Total number of employees leaving company (resignation, redundancy and retirement) aged between 30 and 50 compared to total workforce in this age group	%	2011	3.63	4.88	41.71	13.28	47.95	27.58	100	12.90
		2012	1.57	0.55	4.21	0	4.27	3.09	0	1.79
		2013	0.30	0.18	3.24	2.53	2.50	3.04	0	1.24
Total number of employees leaving company (resignation, redundancy and retirement) aged over 50 compared to total workforce in this age group	%	2011	22.74	7.90	21.90	15.11	21.83	12.63	n/a	19.47
		2012	6.56	1.51	1.13	0	0.30	0.37	n/a	4.13
		2013	7.03	5.45	2.83	0.71	2.22	5.25	n/a	5.60

in the region, and the remainder to Spain and Portugal and Latin America and other Enel Group companies. 25% of the positions advertised were awarded to local Latin American personnel, 11 were management positions and the remaining 77 were non-managerial positions.

ENDESA, as part of the Enel Group, a multinational with operations in 40 countries and thus requiring staff with international experience, took part in the development of the Global Opportunities tool. This tool seeks to cover the Company's international personnel requirements in addition to the motivating the professional development of its people.

It matches personnel interested in having an experience abroad with the Company's requirements.

6.2 Hiring

ENDESA encourages employees to participate in its hiring processes, fomenting internal mobility and providing opportunities for people looking for new learning and professional development opportunities according to their interests and personal motivation. To this end, all job offers are first published internally through the Company's different internal communication channels.

In 2013, 586 internal selection processes were completed (334 in Spain, 36 in Argentina, 53 in Brazil, 79 in Chile, 82 in Colombia and 2 in Peru), involving 4,227 employees (1,725 in Latin America and 2,502 in Spain).

This policy is not only carried out in each country but, on certain occasions, international mobility is encouraged among certain professionals. This has become even more possible since the Company joined the Enel Group. In cases where internal promotion is not possible, ENDESA contacts those people who have already had direct links with the Company's activities, through internships, scholarships or specific contracts. It may also consult various databases.

Where internal promotion is not possible the Company advertises on the job market. In 2013, 998 external selection processes were carried out across ENDESA (463 in Argentina, 188 in Brazil, 74 in Chile, 150 in Colombia, 34 in Peru and 89 in Spain), evidencing the different economic cycles in place in Spain and Latin America.

6.3. Temporary contracts

Occasionally, employees are hired to responsively and flexibly to cover unexpected needs (such as absences, illness, peak work loads and specific projects). In these situations, ENDESA hires the people needed to facilitate its business

continuity. In 2013, 306 temporary staff were contracted in Latin America and 61 Spain to cover specific requirements.

6.4. Remuneration policy

In 2013, significant progress was made to standardise ENDESA's management remuneration systems as part of the Enel Group.

During the year, remuneration processes were integrated and standardised systems established for managers, directors and senior staff to give continuity and coherence between remuneration of different levels, unify management tasks and optimise coordination within the Group.

In 2013, a new assessment was also made of the socio-economic status of the countries and sectors in which ENDESA companies operate. In Spain, given the existing economic and regulatory environment, all employees' salaries were frozen. In Latin America, however, salaries were raised in line with remuneration trends in the markets where ENDESA is present.

All management remuneration processes are based on merit, performance and the attainment of concrete and tangible targets and results. Following the 2013 salary review, remuneration for managers is, on average, in line with market conditions in each country.

During the year, a new ENDESA Loyalty Plan programme was launched, providing long-term incentives for 2013-2015, conditional on achieving the Company's objectives. This programme is aimed at approximately 1,300 ENDESA Group managers, directors and senior executives worldwide.

6.5. Pension plans

The Company has contracted out all its pension commitments in those countries where this is mandatory. The ENDESA pension plan amounts to Euro 2,726.9 million for 22,479 members and beneficiaries. In 2013, ENDESA contributed Euro 39 million to this plan.

Average fixed salary of male employees by professional category⁽¹⁾

		Spain & Portugal	Argentina	Chile	Brazil	Peru	Colombia	Morocco
Management	2011	172,837	103,526	162,342	108,270	96,802	122,087	86,100
	2012	166,372	118,007	160,154	163,941	181,682	131,049	121,234
	2013	181,609	90,587	191,813	183,016	172,863	133,751	102,856
Middle management	2011	67,597	34,112	48,177	41,618	24,601	33,048	119,932
	2012	65,877	41,427	51,182	89,030	33,944	37,636	0
	2013	73,728	40,160	47,862	33,252	35,203	31,892	98,243
Administrative and office staff	2011	44,999	20,259	24,049	21,552	13,795	10,239	0
	2012	52,611	22,967	25,961	32,396	21,807	12,924	0
	2013	54,342	19,974	24,401	13,134	22,292	23,967	0
Manual workers	2011	34,412	9,993	13,968	14,859	15,412	7,396	0
	2012	35,864	1,949	0	0	0	12,554	0
	2013	51,997	18,978	0	0	0	12,574	84,717
Average	2011	52,760	23,371	43,856	28,756	20,057	22,616	86,100
	2012	56,921	22,468	41,671	26,640	33,194	30,143	121,234
	2013	62,641	22,871	48,791	23,909	33,498	29,993	99,002

⁽¹⁾ Average salary, only including fixed remuneration, excluding variable remuneration, compensation and similar.

Average fixed salary of female employees by professional category⁽¹⁾

		Spain & Portugal	Argentina	Chile	Brazil	Peru	Colombia	Morocco
Management	2011	132,459	76,692	113,409	113,213	103,345	99,557	86,100
	2012	129,190	86,762	119,371	147,286	121,399	110,998	121,234
	2013	131,746	74,476	116,475	133,800	121,170	81,377	0
Middle management	2011	59,690	29,660	38,708	38,970	19,515	29,624	0
	2012	57,547	37,004	40,834	80,726	29,946	33,195	0
	2013	59,664	31,510	38,884	28,207	30,081	33,060	0
Administrative and office staff	2011	44,653	18,394	20,852	16,235	13,468	10,713	0
	2012	46,893	20,261	24,198	26,368	17,280	12,725	0
	2013	49,533	16,899	22,223	12,964	18,348	12,792	0
Manual workers	2011	35,956	6,483	0	9,902	22,007	6,603	0
	2012	37,283	0	0	0	0	8,552	0
	2013	40,633	0	0	0	0	7,629	69,314
Average	2011	49,529	21,393	31,055	29,337	18,477	24,817	86,100
	2012	50,420	23,138	35,137	25,043	25,722	29,123	121,234
	2013	53,205	19,916	35,116	23,813	26,384	29,249	38,123

⁽¹⁾ Average salary, only including fixed remuneration, excluding variable remuneration, compensation and similar.

ENDESA's Employee Pension Plan manager has become a formal signatory to the United Nations Principles for Responsible Investment (UNPRI)

Other obligations contracted out relate to commitments for headcount reduction plans and others instrumented through insurance policies in Spain.

Outside of Spain, ENDESA has a pension plan in Brazil worth Euro 781 million with 11,812 members and beneficiaries. The Company contributed Euro 19 million in 2012.

ENDESA offers social benefits and pension plans in all the countries where it operates, in accordance with local legislation and collective bargaining processes.

ENDESA's Employee Pension Plan manager has become a signatory to the United Nations Principles for Responsible Investment (UNPRI) in alignment with the Strategic Sustainability Plan and the Corporate Social Responsibility Plan.

Average fixed salary for women compared to men (%)

		Spain and Portugal	Argentina	Chile	Brazil	Peru	Colombia	Morocco
Management	2011	77	74	70	105	107	82	100
	2012	78	71	72	90	83	79	100
	2013	72	82	61	73	70	57	0
Middle management	2011	88	87	80	94	79	90	0
	2012	87	89	80	91	88	83	n/a
	2013	81	78	81	85	85	84	0
Administrative and office staff	2011	99	91	87	75	98	105	0
	2012	89	88	93	81	79	98	n/a
	2013	91	85	91	99	82	104	0
Manual workers	2011	105	65	0	67	143	89	0
	2012	104	0	0	0	0	64	n/a
	2013	78	0	0	0	0	56	82
Average	2011	94	92	71	102	92	110	100
	2012	89	103	84	94	78	95	100
	2013	85	87	72	100	79	97	39

In 2013, ENDESA's Employee Pension Plan introduced three new fund managers, in addition to its main fund manager, to manage part of the fund's assets. This type of shared management, a pioneering move in the Spanish employment benefits sector, seeks to diversify the management of the

fund's investments to increase the return for scheme members and reduce investment risk.

ENDESA's employees also enjoy a range of social benefits that are not required by law:

Social benefits not required by law

			Spain and Portugal	Argentina	Chile	Brazil	Peru	Colombia	Total
Medical care	Euro thousand	2011	5,020	200	3,579	10,709	166	1,016	20,690
		2012	3,874	305	3,874	8,315	202	1,030	17,600
		2013	4,657	436	4,587	8,533	174	1,096	19,483
Cultural and recreational activities	Euro thousand	2011	751	n/a	2,811	n/a	565	525	4,651
		2012	893	n/a	2,924	n/a	686	524	5,026
		2013	912	n/a	2,948	n/a	597	611	5,068
Financing of electricity consumption	Euro thousand	2011	11,760	n/a	n/a	n/a	n/a	107	11,867
		2012	14,366	n/a	n/a	n/a	n/a	119	14,485
		2013	17,757	n/a	n/a	n/a	n/a	107	17,864
Non-occupational accident insurance	Euro thousand	2011	2,854	162	n/a	418	n/a	62	3,496
		2012	1,648	52	n/a	301	n/a	209	2,210
		2013	702	n/a	n/a	342	n/a	208	1,252
Pension funds	Euro thousand	2011	66,559	n/a	1,432	5,464	n/a	3,479	71,470
		2012	57,587	n/a	1,369	3,306	n/a	4,125	63,081
		2013	60,541	n/a	1,298	4,499	n/a	4,447	66,286
Others (for example: seniority bonus, wedding and housing allowances, etc.)	Euro thousand	2011	17,107	501	1,528	n/a	490	2,380	22,006
		2012	16,694	n/a	656	n/a	433	3,116	20,899
		2013	14,502	510	n/a	n/a	394	2,784	18,190
Number of employees included in benefits plan:	Euro thousand	2011	10,800	2,849	2,268	2,761	860	1,485	21,023
		2012	10,512	3,487	2,461	2,662	938	1,526	21,586
		2013	9,847	3,899	2,412	2,677	938	1,600	21,373

n/a: Not applicable.

7. Social dialogue

Working conditions at ENDESA are regulated by collective bargaining agreements that generally improve the labour regulations in the fields where the Company operates. ENDESA guarantees the right to freedom of association for its employees and for all its contractors, suppliers and business partners.

7.1. Spain and Portugal

There were five collective bargaining agreements in effect in Spain and Portugal at the end of 2013, covering 10,803 people, 96.75% of the workforce. At the end of the year, four collective agreements were being negotiated, covering 1,332 employees.

ENDESA guarantees freedom of association for its workers

Some of the main negotiations regarding CBAs in 2013 include:

- Negotiation of the 4th ENDESA Framework Collective Agreement.
- Negotiation of the Extension of the Framework Agreement ensuring labour conditions for ENDESA, SA, and its power subsidiaries resident in Spain.
- Negotiation of the restructuring of the Colon, As Pontes and San Roque combined cycle plants.
- At Endesa Spain, UGT is the leading trade union (52.45% of representation), followed by CCOO (35.18%) and SIE (11.56%).

This puts average union membership among the ENDESA workforce in Spain at 49.15%.

The subjects to be addressed and agreed with trade unions include: personal protective equipment, participation of workers' representatives in inspections, analysis of training to be provided to workers for specific job risks, etc.

7.2. Latin America

There are a total of 47 collective bargaining agreements in place at ENDESA's companies in Latin America; 8 in Argentina, 15 in Brazil, 14 in Chile, 4 in Colombia, 5 in Peru and one which, although it has been signed in Spain, affects employees working for the parent company in Latin America. Together these regulate the labour conditions of 9,519 employees, or 80.49% of the total workforce.

ENDESA's companies in Latin America have 47 CBAs in place

A total of 15 collective agreements were negotiated in 2013: 8 in Brazil, 2 in Chile, 1 in Spain and 4 in Peru. These agreements cover 2,395 employees in Latin America, 20.01% of the workforce.

There are also 30 different trade union organisations active at ENDESA Group companies in Latin America: 3 in Argentina, 7 in Brazil, 11 in Chile, 4 in Colombia and 5 in Peru.

All the collective agreements signed in the different countries in 2013 were aligned with the POA forecast, unit costs were increased in line with inflation figures in each country, plans were designed to monitor objectives through performance management systems in addition to the Company's compliance with occupational health and safety obligations, including issues addressed by OHS joint committees, among others.

Salary increases that exceeded the CPI figure in each country, agreed under the different collective agreements, were made on the basis of the employee's merit (performance and behaviour management) and in line with internal and external market conditions.

In 2014, collective agreements are slated to be negotiated in Argentina (Edesur, Endesa Costanera and Dock Sud with the trade unions Luz, Fuerza and Apsee), Brazil (Coelce, Endesa Brasil and Endesa Cachoeira with the trade unions Sindeletro and Stiueg), Colombia (Codensa and Emgesa with the trade union Sintralecol) and Peru (Edelnor and EEPsA with the trade unions Sutrel, Sintredel, Sindicato Unificado and Suteccca).





Good governance and transparency

Commitment to good governance and ethical behaviour



The key cornerstones of ENDESA's Sustainability Plan are ethical behaviour and best corporate governance practices.

The Company has a Code of Ethics and a Zero Tolerance Plan Against Corruption, which outline the ethical responsibilities and commitments in the management of the businesses and corporate activities of employees and partners. It also has a Prevention of Criminal Risk Programme to comply with the requirements of the reformed Spanish Penal Code, Act 20.393 in Chile and Enel's 231 guidelines regarding penal liability for legal persons.

Priority issues-2013 materiality study	ENDESA's response in the report
Stance on anti-corruption and bribery.	Chapter on Good Governance and Transparency: 1. ENDESA, a model of good governance and transparency. 2. Codes of ethics and the fight against fraud and corruption.
Code of Conduct (Roll-out and scope, Systems, Procedures and Reporting breaches).	Chapter on Good Governance and Transparency: 2. Codes of ethics and the fight against fraud and corruption.
Board committees and competencies (management of ESG issues).	Chapter on Good Governance and Transparency: 1.4. Directors' responsibilities and duties.
Effectiveness of the Board (performance evaluation, guidelines for acquiring shares, attendance, etc.).	Chapter on Good Governance and Transparency: 1.4. Directors' responsibilities and duties.
Transparency and integrity in disclosing information.	Chapter on Good Governance and Transparency: 1. ENDESA, a model of good governance and transparency. Chapter on Shareholders and Investors: 1.1. Close relations and transparency with shareholders and investors.
Executive remuneration (dissemination, link with shareholders' interests, integration of sustainability issues, etc.).	Chapter on Good Governance and Transparency: 1. ENDESA, a model of good governance and transparency. Chapter on Shareholders and Investors: 1. Generating sustainable value.

Challenges in 2013	Actions taken
To uphold transparency in corporate governance performance.	<ul style="list-style-type: none"> • Suitable communication and dissemination of the corporate governance policy. • Disclosure of remuneration for each director. • High director attendance at Board meetings. • Regular performance self-evaluation of the Board. • No conflicts of interest with financial auditor.
To ensure Prevention of Criminal Risk Programme works correctly and is disseminated, and oversee control mechanisms.	<ul style="list-style-type: none"> • In 2013 ENDESA verified proper compliance of its Prevention of Criminal Risk Model for IBAL with a review of the controls contained therein. It also rolled out various dissemination and training initiatives concerning its ethical and penal risk prevention regulations during the year.

Key figures 2010-2013				
	2010	2011	2012	2013
Participation at the General Shareholders' Meeting (%)	93.9	93.87	93.49	93.39
Number of Board meetings	11	11	14	12
Total number of directors	9	9	9	9
Fixed remuneration of directors (Euro)*	1,911,600	1,907,148	2,137,984	2,831,179
Variable remuneration of directors (Euro)*	2,590,864	3,160,810	3,317,408	2,743,767
Complaints received via Ethics Channel or other	73	69	81	98
Dismissals arising from complaints upheld	36	10	11	8

* See breakdown on page 113.

In 2014 we propose
Ensuring correct compliance and dissemination of our ethics rules (Code of Ethics and Zero Tolerance Plan Against Corruption) and our Criminal Risk Prevention rules (Criminal Risk Prevention Programme).

1. ENDESA, a model of good governance and transparency

ENDESA's commitment to good governance and transparency is present in its everyday work. Since 2010, it has had a Code of Ethics and a Zero Tolerance Plan Against Corruption, which outline the ethical responsibilities and commitments in managing its businesses and corporate activities. These have been adopted by ENDESA and its subsidiaries.

These reinforce the existing Employee's Code of Conduct, Charter governing senior management and Charter governing executives.

1.1. Shareholder participation

The General Shareholders' Meeting was held on 22 April 2013 with the participation of 93.9% of the share capital.

93.39% participation in the General Shareholders' Meeting

Transparency of information and promoting shareholder participation are the cornerstones of ENDESA's corporate governance model.

1.2. Leadership of the Board of Directors

ENDESA's Board of Directors has approved various plans and management policies for the Company and its investees defining their risk profile and establishing all information and communication policies.

During the year, the Board met on 12 occasions with the Chairman in attendance at all of them, to analyse the Company's performance and the demands of the market.

ENDESA Board of Directors: key figures for 2013

Total directors	9
Non-executive Directors	6
Independent Directors	2
External proprietary Directors	4
Board Meetings	12
Shares owned or controlled by Directors or significant individual shareholders	6,072

Composition of ENDESA's Board of Directors at 31/12/13*

Position	Name	Date (1 st appointment)	Type of director	Committee
Chairman	Borja Prado Eulate	20/06/2007 (1)	Executive	EC, ACC
Vice Chairman	Fulvio Conti	25/06/2009	External Proprietary Director	EC
Chief Executive Officer	Andrea Brentan	18/10/2007	Executive	EC
Directors	Luigi Ferraris	18/10/2007	External Proprietary Director	ACC, ARC, ACC
	Massimo Cioffi	26/06/2012	External Proprietary Director	ARC
	Gianluca Comin	14/09/2009	External Proprietary Director	
	Miquel Roca Junyent	25/06/2009	External-Independent	ACC, ARC, ACC
	Alejandro Echevarría Busquet	25/06/2009	External-Independent	ACC, ARC
Secretary (director)	Salvador Montejo Velilla	26/06/2012	Executive	

(1) Appointed Chairman on 24/03/09
EC: Executive Committee
ACC: Audit Committee
ARC: Appointments and Remuneration Committee

1.3. Director remuneration

The total remuneration received by ENDESA's directors in 2013 was Euro 5,840,253.

The remuneration received by each member of the Board of Directors is detailed below:

Name	2013						Total 2013
	Salary	Fixed remuneration	Attendance fees	Short-term variable compensation	Long-term variable compensation	Other items	
Borja Prado Eulate	812,000	250,281	44,074	495,872	649,600	37,894	2,289,721
Andrea Brentan	710,500	—	—	236,838	568,400	194,615	1,710,353
Fulvio Conti (1)	—	—	—	—	—	—	—
Luigi Ferraris (1)	—	—	—	—	—	—	—
Massimo Cioffi (1)	—	—	—	—	—	—	—
Gianluca Comin (1)	—	—	—	—	—	—	—
Alejandro Echevarría Busquet	—	250,281	62,104	—	—	—	312,385
Miquel Roca Junyent	—	250,281	62,104	—	—	—	312,385
Salvador Montejo Velilla	557,836	—	—	290,074	334,701	32,798	1,215,409
Total							5,840,253

(1) In January 2013, Enel's proprietary Directors waived their right to receive compensation for sitting on the ENDESA Board of Directors.

1.4. Directors' responsibilities and duties

Pursuant to the Unified Good Governance Code, Directors are expected to dedicate the necessary time and effort to perform their duties effectively. As a result, Directors should apprise the Appointments and Remuneration Committee of any other professional obligations that may detract from their required dedication.

Pursuant to Article 26 of the Board of Directors' Regulations, which details the duties of Board members, Directors have the following responsibilities:

- It is the duty of all Directors to contribute to the role of the Board to promote and oversee the management of the Company. In performing their functions, they will act faithfully in the corporate interest, and with loyalty and due care. Their conduct must be guided solely by the corporate interest, interpreted with full independence, and they shall ensure at all the times that the interests of the share-

holders as a whole, from whom their authority originates and to whom they are accountable, are best defended and protected.

- A Director must, by virtue of his office, disclose transactions by family members and by companies related, by ownership, to the Director if such transactions are material to the management of the Company.
- In addition, in performing their duties, Directors shall be guided by the general principles and the standards of conduct set forth in the Company's Code of Ethics.
- Article 28 regarding the use of information and corporate assets, stipulates that: "Directors may not use for private purposes non-public information of the Company, unless there is no detriment to the Company, or if the information is irrelevant for transactions to buy or sell securities of the Company."

- In any event, the rules of conduct established by legislation and by the Company's Internal Regulations on Conduct in the Securities Markets must be observed.
- No Director may personally use the assets of the Company or use his position in the Company to obtain a financial advantage unless a sufficient consideration is paid. If he has a dispensation from the obligation to pay such consideration, the financial advantage thus obtained shall be treated as indirect remuneration and must be authorised by the Appointments and Remuneration Committee.

Finally, the Internal Code of Conduct in Securities Markets regarding conflicts of interest states that:

- Persons subject to these Regulations (Directors, Senior Management, employees, external advisors) must inform the General Secretary of any conflict of interest that may

arise in connection with the ownership of personal or family property or with any cause that interferes with the pursuit of the activities subject to these Regulations.

- Should there be any doubt over the existence of a conflict of interest, the persons subject to these regulations must consult the General Secretary who shall rule on it in writing. The General Secretary may refer the matter to the Audit and Compliance Committee if he sees fit due to its importance or difficulty.
- If the person affected by the potential conflict of interest is a member of the Audit and Compliance Committee or the Chief Executive Officer, the committee shall rule on its existence or absence. If the person affected is the General Secretary, he must communicate to the Chief Executive Officer the potential conflict of interest so that the latter may rule on its existence or, if appropriate, refer the matter to the Audit and Compliance Committee.

2. Codes of ethics and the fight against fraud and corruption

ENDESA is fully committed to complying with ethical rules and principles, both within the Company and in its external relations, particularly as regards the fight against fraud and corruption.

2.1. Culture of integrity and codes of ethics

In 2010, ENDESA strengthened its commitment to integrity with a new Code of Ethics and Zero Tolerance Plan. An intensive internal communication plan was launched to familiarise staff with these documents. These documents oblige all employees to behave appropriately in all their dealings with stakeholders—shareholders, employees, suppliers, customers, and authorities— and represent a benchmark for assessing the Company's reputation.

The Code of Ethics comprises:

- General principles regarding relations with stakeholders which define ENDESA's values.
- Rules of behaviour for dealing with all stakeholders which provide guidelines and regulations which ENDESA's partners must adhere to in order to uphold the Company's general principles and avoid unethical behaviour.
- Implementation mechanisms which describe the necessary controls to ensure compliance with the Code of Ethics and ensure it is constantly improved.

The Code of Ethics and Zero Tolerance Plan can be consulted at www.endesa.com.

Since 1 January 2012 ENDESA has had a Prevention of Criminal Risk Programme which is designed to equip ENDESA with a control system to prevent any criminal activity within the Company thereby complying with prevailing legislation on criminal liability for legal persons (the reformed Spanish Pe-

nal Code, Act 20.393 in Chile and Enel's 231 guidelines). The main objectives of this Model are to prevent criminal activity and raise awareness among collaborators, shareholders and third parties as to the importance of committing to and complying with the principles and procedures adopted by the Company.

Finally, ENDESA has specific protocols in place which establish clear procedures to be followed by collaborators when dealing with civil servants and public authorities, as well as the acceptance and offering of gifts, presents or favours.

2.1.1. Ethics Channel

ENDESA has an Ethics Channel, accessible via its website (www.endesa.com) and all its intranet sites, so that all stakeholders can report, securely and anonymously, any irregular, unethical or illegal conduct which has, in their opinion, occurred in the course of the Company's activities.

The procedure established ensures the confidentiality of this system, since the Channel is managed by an external, independent company (Ethics Point), which processes all complaints and communications.

The Ethics Channel classifies complaints received in accordance with 13 corporate management fields, arranged in line with ENDESA's Code of Ethics, thereby optimising the monitoring of compliance with the principles of conduct.

98 complaints were received in 2013, 79.6% of which were resolved in the year

Since it was set up, the main concerns expressed by users of the Ethics Channel have been improper behaviour by suppliers and contractors, embezzlement and conflicts of interests.

Complaints made via channels other than the Ethics Channel are forwarded to the Internal Audit Department, in accordance with ENDESA's internal procedures.

The Audit Department is responsible for ensuring all complaints received are processed correctly. This department acts independently of the opinions of all other departments within the organisation. It has access to all the corporate documents necessary to carry out its functions and monitors the implementation of the recommendations included in its audit reports. The Audit Department reports to the Board of Directors through the Audit and Compliance Committee which in turn centralises and channels all significant complaints before reporting on them to the Board.

In 2013 a total of 98 complaints were reported through the Ethics Channel and other channels. In 79.6% of the cases re-

ported in 2013 the investigation was closed during the same year.

18 breaches of the Code of Ethics in 2013 with 8 resulting in dismissals

18 of the the complaints filed were proven to be breaches of the Code of Ethics with 3 occurring in Spain and Portugal and 15 in Latin America. In these cases various corrective measures were applied, such as dismissing the individuals involved. In 2013, 8 employees involved in breaches were dismissed.

Complaints received in 2013 by stakeholder group

	Total	Customers	Employees	Suppliers	Anonymous
Spain and Portugal	24	—	19	3	2
Argentina	17	7	5	2	3
Brazil	33	4	13	3	13
Chile	6	1	2	1	2
Colombia	17	—	3	2	12
Peru	1	—	—	—	1
Latin America	74	12	23	8	31
Total	98	12	42	11	33

Complaints received in 2013 by stakeholder group affected or partially affected

	Total	Shareholders	Customers	Employees	Suppliers	Other
Spain and Portugal	24	5	—	16	3	—
Argentina	17	6	5	1	4	1
Brazil	33	12	3	14	3	1
Chile	6	1	1	3	1	—
Colombia	17	6	—	2	9	—
Peru	1	1	—	—	—	—
Latin America	74	26	9	20	17	2
Total	98	31	9	36	20	2

Infringements proven by region (no.)

	2011	2012	2013
Spain and Portugal	7	3	3
Argentina	4	3	6
Brazil	5	7	5
Chile	—	3	1
Colombia	—	3	3
Peru	3	0	—
Latin America	12	16	15
Total	19	19	18

Status and outcome of complaints received (no.)

	2011	2012	2013
Cases closed	69	81	78
Infringement proven (fraud or ethical breach)	19	19	18
Unfounded	50	62	60
Still open	0	0	20

Infringements proven by type (%)

	2011	2012	2013
Corruption	18	15	6
Mobbing	—	1	—
Discrimination	—	—	—
Embezzlement	—	2	3
Human rights	—	—	—
Other	1	1	8
Total	19	19	18

2.2. Sanctions received

At 31 December 2013, the most significant cases of litigation and arbitration involving ENDESA companies were the following:

- Three legal actions are underway against ENDESA Distribución Eléctrica, S.L.U. for forest fires in Catalonia,

and it is possible that the Company will have to pay more than Euro 42 million for various claims for damages. In addition, the Generalitat of Catalonia (Regional Government) imposed a penalty of Euro 10 million for power cuts in Barcelona on 23 July 2007. This penalty was confirmed on 3 September 2012 by the Tribunal Superior de Justicia de Cataluña (Catalonia Regional Appeal Court) and an appeal submitted to the Supreme Court on 16 November 2012.

- In a ruling dated 2 April 2009, the Spanish Spanish Markets Competition Commission, the CNMC, fined ENDESA Distribución Eléctrica, S.L.U. Euro 15 million for a breach of article 6 of the Spanish Competition Act and of article 82 of the EC Treaty, in the form of an alleged abuse of a dominant position by obstructing access by the supply company Centrica Energía, S.L. to the SIPS system of point-of-supply information created by Royal Decree 1535/2002 of 4 June, and assigning the claimant's business data on customers to the ENDESA Group's own supply company, ENDESA Energía, S.A.U. On 26 May 2011 the Spanish High Court ruled in favour of the CNMC's decision. On 17 June 2011, an appeal was presented to the Supreme Court. The case is still pending judgement. On 20 January 2010, Céntrica Energía, S.L. filed a lawsuit against ENDESA Distribución Eléctrica, S.L.U. concerning the CNMC's resolutions of April 2009 and, in it, the Company stated the value it would have obtained had it had access to information when it requested mass market access on 9 October 2006. The claim for losses and damages totals Euro 5 million. On 20 January 2011, the Barcelona Mercantile Court no. 2 ruled that the damages being sought by Céntrica Energía, S.L. be reduced to Euro 3 million. ENDESA Distribución Eléctrica, S.L.U. appealed against this ruling but the Barcelona Provincial Court rejected this appeal on 3 May 2012. An appeal has been submitted.

- On 11 May 2009, the Ministry of Industry, Tourism and Commerce published a Ministerial Order in which it issued four fines totalling Euro 15 million to ENDESA Generación, S.A.U. as the operator of the Ascó I nuclear plant in connection with a radioactive particle leak in December 2007. These infringements were considered serious violations contrary to the Nuclear Energy Act 25/1964, of 29 April. An application for judicial review was filed with the High Court. At the same time, the Director General of Energy Policy and Mines issued two fines totalling Euro 90,000 for minor infringements relating to the same incident. The Company appealed against these fines. On 1 December 2009, granting a motion by ENDESA, the High Court stayed execution of the decision under challenge. ENDESA paid into court a bank guarantee covering the value of the fine, Euro 15 million. The principal issue under appeal is pending a decision. Since 14 September 2010, the court has been in the process of reaching conclusions and entering a judgment. On 6 April 2011, the High Court stayed the appeal proceedings.
- On 24 June 2009, the inquiries unit of the Spanish Markets and Competition Commission (CNMC) opened proceedings against a number of power distribution companies, including ENDESA, S.A. for alleged violation of article 1 of the Spanish Competition Act 2007 (Ley 15/2007) and Article 81 of the EC Treaty. According to the CNMC, the alleged violation consists of collusion to obstruct, restrict or distort competition in the domestic power market. The infringement proceedings instituted by the CNMC were directed to ascertain whether or not an unlawful arrangement was made among distribution companies to slow down the process by which users can switch suppliers. The proceedings were later widened in scope, in terms of parties (to include the power industry association Asociación Española de Industria Eléctrica Unesa) and charges (including collusion to attract large customers). By a decision of the Board of the CNMC of 13 May 2011, ENDESA, S.A. was fined Euro

27 million. An application for judicial review was filed with the High Court, which, granting ENDESA, S.A.'s motion for interim measures, stayed execution of the fine by an order dated 15 September 2011. The evidentiary stage was agreed in a ruling dated 5 November 2012. The expert's report was ratified on 11 February 2013 with the conclusions submitted in writing on 14 March. On 10 June 2013 claims in writing were submitted in response to the judicial order on the fine. The case is still pending judgement.

- In May 2010, the CNMC initiated disciplinary proceedings into ENDESA Distribución Eléctrica, S.L.U. and other power utilities as a result of a claim brought by the National Confederation of Power Facility Owners ("FENIE" for its acronym in Spanish) for alleged anti-competitive behaviour by the distributors. It opened similar proceedings into ENDESA Distribución Eléctrica, S.L.U. on the same grounds in November 2011 in relation to its Mallorca concession. On 22 February 2012, the CNMC notified ENDESA Distribución Eléctrica, S.L.U. of a ruling requiring it to pay a total fine of Euro 23 million for alleged abusive conduct in the electric installations market, specifically for presenting financial bids for non-restricted facility work at the same time as it informed the supplier applicants about the technical and financial terms of their applications and for discrepancies with respect to the implementation of the rules laid down in Royal Decree 222/2008 regarding grid connections between 2008 and 2009. On 26 April 2012, the CNMC imposed a fine amounting to Euro 1 million for the Mallorca case. ENDESA Distribución Eléctrica, S.L.U. has appealed to the High Court against both fines, and the court suspended payment via rulings issued on 21 May and 3 July 2012, respectively. On 23 December 2013, the High Court issued a ruling partially upholding the appeal filed over the Mallorca case (ASINEM) and ordering the CNMC to reduce the fine -barring an appeal for judicial review by the Administration, the fine will be reduced by 90%. On 2 December

2013, the appeal over the FENIE case was dismissed. An appeal has been filed with the Supreme Court.

- On 4 November 2010, the CNMC initiated disciplinary proceedings against ENDESA Energía XXI, S.L.U. for allegedly violating article 3 of the anti-trust law whereby it had applied contractual conditions to customers without the right to adhere to the LRT different to those contained in Royal Decree 485/2009, of 3 April. On 12 June 2012, it issued its decision to fine ENDESA Energía XXI, S.L.U. Euro 5 million for breach of article 3 of the anti-trust law. In July 2012, ENDESA Energía XXI, S.L.U., filed an appeal with the High Court against this resolution and requested the temporary lifting of the sanction. On 21 November 2013, the High Court issued a ruling rejecting the appeal. An appeal has been filed with the Supreme Court.
- Regarding compliance with the obligation to adapt operations of nuclear power plants to the third additional provision of Law 12/2011, of 27 May, ENDESA Generación, S.A.U. submitted the appropriate adaptation plan within the stipulated time frame. However, the Department of Energy Policy and Mines considered that it did not meet the requirements, which require unanimity among the licence holders of the plants. ENDESA Generación, S.A.U. lodged an appeal, and on 13 June 2012 was notified of the resolution by the Under Secretary of Industry, Energy and Tourism rejecting the appeal, which was also contested through litigation before the Regional Appeal Court of Madrid.. Meanwhile, the Ministry of Industry, Energy and Tourism opened infringement proceedings on 27 June and on 24 September 2012 and called for a decision to impose a penalty of Euro 0.9 million for each power plant in which ENDESA, S.A.U. has an interest. In a ruling of 13 July 2013, the High Court granted the stay requested by ENDESA Generación, S.A.U., suspending execution of the resolution challenged while the appeal is underway. ENDESA

Generación, S.A.U. paid into court a bank guarantee covering the value of the fine, Euro 3.6 million. A judgement is pending.

- On 23 May 2013, the Director General of Energy Policy and Mines agreed to launch infringement proceedings against ENDESA Generación, S.A.U. and Iberdrola Generación, S.A.U., as operators of the Ascó I and Ascó II nuclear power plants, with respect to the loss of traceability in the control of unused radioactive sources from the plant, for serious breach of Article 86.b).3 of Law 25/1964, of 29 April, on Nuclear Energy, for non-compliance with section 3.1.2. on "Plant management approaches" of the Radioactive Waste and Spent Fuel Management Plan (PGRR in Spanish), and breach of Section 10.5 of the Radiation Safety Manual (MPR) regarding radioactive sources, due to failure in the alleged loss of the related information. As this involves a nuclear power plant, in accordance with Article 89.1 of Law 25/1964, of 29 April, on Nuclear Energy, violations qualifying as serious can result in fines of between Euro 300,001, in the lowest degree, and Euro 9 million, in the highest.. On 10 June 2013, ENDESA Generación, S.A.U. submitted its pleas, requesting that the case be dismissed as the traceability of the sources had been recovered, or alternatively if rejected, that once the recovery of the traceability of the sources is accredited, to lower the category of infraction to minor pursuant to Article 86.c).3 of Law 25/1964, of 29 April, on Nuclear Energy. In this case, the fine would range from Euro 15,000 in the lowest degree to Euro 300,000 in the highest. On 17 October 2013 the motion for resolution was received upholding some of the facts from the initiation of proceedings, as well as classifying the actions of ENDESA Generación, S.A.U. and Iberdrola Generación, S.A.U., as serious, with a fine of Euro 1.1 million in the lowest degree, pursuant to a report from the Nuclear Safety Council (CSN) dated 13 September 2009. The Company appealed against this ruling in writing on 30 October 2013.

- Companhia Brasileira de Antibióticos (hereinafter "CIBRAN") is seeking to recover damages from Ampla Energia e Serviços, S.A. for loss of goods and raw materials and breakage of machinery, inter alia, allegedly caused by defective services rendered by Ampla Energia e Serviços, S.A. from 1987 to May 1994, in addition to an indemnity for moral damage. The suit was joined with another five actions arising from blackout incidents occurring between 1987 and 1994, 1994 and 1999 and on certain days in 2002. The expert evidence for these processes was partly adverse to Ampla Energia e Serviços, S.A. which moved to have the evidence struck out and fresh expert evidence taken. On 5 September 2013 the judge rejected this request resulting in Ampla Energia e Serviços, S.A. appealing for a motion for clarification of judgement which is currently being studied by the court. The cost of all this litigation is approximately Brazilian real 150 million (approximately Euro 46 million).
- In 2001, residents of Sibaté, in the Department of Cundinamarca, filed a lawsuit against the subsidiary Emgesa, S.A. E.S.P. (Empresa de Energía de Bogotá S.A. ESP) and the Regional Autonomous Corporation for damages stemming from the contamination of the El Muña reservoir as a result of the pumping of contaminated water from the Bogotá river. Emgesa, S.A. E.S.P. rejected the claims, arguing, among other things, that the waters it receives are already contaminated. In their initial claim, the plaintiffs asked for 3 million Colombian pesos (approximately Euro 1,126 million). Emgesa, S.A. E.S.P. requested that various public and private entities responsible for discharges into the Bogotá river, or which, in one way or another, are responsible for the environmental management of the river basin, be declared parties to the lawsuit. The Council of State deemed the various of legal entities named in the ruling be parties to the lawsuit. Replies to the lawsuit were entered in January 2013 and the request to have the process rendered invalid lodged by a number

of defendants was declared inadmissible in June of that year. The process is currently pending resolution and a date for the settlement hearing.

- In 2002, the Rio de Janeiro regional government ruled that the ICMS tax must be set and paid on the 10th, 20th and 30th days of the month accrued. However, Ampla Energia e Serviços, S.A. has continued to pay the tax in accordance with the previous system (up to the 5th day of the month following its accrual). Despite an informal agreement with the State of Rio de Janeiro and two tax amnesties, in October 2004 the State began legal proceedings to fine Ampla Energia e Serviços, S.A. for late payment. Ampla Energia e Serviços, S.A. subsequently appealed against this. In February 2007 Ampla Energia e Serviços, S.A. was notified of the government's decision which confirmed the State's ruling. On 23 March the Company appealed to the regional Taxpayers' Council which also ruled in favour of the fine on 26 August 2010. The Taxpayers' Council ruled in favour of the fine on 9 May 2012 and Ampla Energia e Serviços, S.A. was notified of the ruling on 29 August 2012. The Company opted for an unusual strategy, requesting the State Treasury (Hacienda Pública Estatal, Superintendence of Collection) review the decision of the administrative court based on the Amnesty Law (review procedure stipulated in Amnesty Law of 2006). The request was sent to it and then on to the Rio de Janeiro governor. Ampla Energia e Serviços, S.A. has not received an answer to its request for review. Therefore, the debt should have been suspended until the administrative procedure concluded, but this has not been the case. In November 2012, the state of Rio de Janeiro recorded the debt in its public register as being owed. As a result, on 12 November 2012, the company was forced to provide guarantee of 140% of the tax liability in order to continue receiving public funds. Once a judgment is handed down, most likely unfavourable, the company intends to file a judicial appeal. The amount in question is Euro 71 million.

- In August 2013, the environmental authorities brought charges against Empresa Nacional de Electricidad S.A. for a number of infringements of Exemption Resolution No. 206, of 2 August 2007 and complementary or explanatory resolutions, on the environmental classification of the "Bocamina Thermal Power Plant Enlargement Project". On 27 November 2013, the environmental authorities reformulated the charges, adding two new ones. Empresa Nacional de Electricidad S.A. filed its defence in December 2013, admitting to certain infractions but opposing the rest. A response is pending from the environmental authorities. On 28 January 2014, the environmental authorities, as a precautionary measure, ordered the temporary shutdown of Unit I. This order was lifted on 6 February 2014, with Empresa Nacional

de Electricidad, S.A. having adopted the measures required by the authority. Elsewhere, in December 2013 and January 2014, fishermen and algae collection unions in Coronel (Chile), among others, filed three motions for legal protection against Empresa Nacional de Electricidad S.A. before the Concepción Court of Appeals. In the first, the plaintiffs obtained an injunction (stay-of-action), ordering the shutdown of Generating Unit II of the Bocamina power plant. Empresa Nacional de Electricidad, S.A., requested that this injunction be lifted but the request was dismissed by the Court. It also submitted its response to the charges, providing the precedents for their dismissal. Generating Unit II remains closed as the company is still waiting for a response from the Concepción Appeals Court.

3. Use of tax havens and ENDESA policy

ENDESA's policy in this regard is that any investment in or through tax havens is only carried out if there are overriding economic reasons to justify such a move other than simply avoiding taxes (such as reducing administrative dealings, carrying on economic activities in the country, etc.).

In addition, ENDESA has never resorted to entities located in tax havens to conceal the identity of parties earning income, conducting activities, owning property or holding rights. Through its acquisition of the Enersis Group in 1997, the ENDESA Group also acquired a significant number of companies located in tax havens. Consequently, in 1999, ENDESA began a process to dissolve these entities. It currently has only two entities in countries considered tax havens by the Spanish Central Tax Authority: Atacama Finance and Energex, both in the Cayman Islands. These companies have not been dissolved because ENDESA does not hold a majority of their share capital, and their dissolution requires the approval of the other shareholder. The purpose of two companies is to finance the Gas Atacama project (Atacama Finance Co.) and to manage purchases from the suppliers of the that project (Energex Co.). It should be noted that Spain is conducting negotiations with the Cayman Islands with a view to signing a tax information-exchange agreement, which would entail excluding this country from the Spanish Central Tax Authority's list of tax havens. In any event, ENDESA intends to dissolve these entities as soon as it is legally feasible to do so.

In addition, ENDESA does conduct activities in other countries that, while not considered tax havens by the Spanish Central Tax Authority, are considered territories with a more favourable tax regime than Spain's. It is clear that neither the scope of the activities conducted by the Company in these geographic areas nor the legal classification given to them by the Central Tax authority warrants their inclusion in the Sustainability Report. Nevertheless, aware of the importance for society to see that it always acts with absolute transparency, ENDESA considers that it should report on the activities conducted by its subsidiaries in territories that, although not tax havens, are considered at times to have a low tax burden:

- **Panama:** ENDESA holds a minority interest in Empresa Propietaria de la Red, S.A., which is involved in developing, designing, building and performing maintenance on a regional transmission system that will interconnect the six countries of Central America. This company, in turn, owns a minority stake in Red Centroamericana de Telecomunicaciones S.A., the corporate purpose of which was to develop the fibre optics business through the electricity grid (although it is currently dormant). Endesa also holds a 48% direct stake in Emgesa Panamá which sells power in Panama and Central America. Therefore, ENDESA's small presence in Panama is exclusively and directly related to operational activities per se, specifically to electricity transmission and supply. Importantly, although Panama is included on the list of European Parliament (March 2009), in the Hamon report, on the lists of the Tax Justice Network (November 2009) and on the OECD's list (March 2010), in 2010, Spain signed a double taxation treaty with Panama that includes an information-exchange clause.
- **United States (Delaware):** ENDESA Capital Finance LLC is an ENDESA Group investee established in 2003 to issue Euro 1,500 million in preference shares. The preference shares were issued and listed in Spain, and were repurchased in full in the first half of 2013. Therefore, the gains earned by ENDESA Capital Finance LLC are taxed in Spain. Now that the repurchase is completed, the company is being dissolved. Delaware is a geographic area that is included on the lists of the Tax Justice Network (November 2009), on the list of the European Parliament and in the Hamon Report (March 2009). It should be noted, however, that it is covered by the double taxation treaty signed between Spain and the US in force since 1990. The location of ENDESA Capital Finance LLC in Delaware stems from commercial and administrative advantages in this jurisdiction, where there are a small number of applicable requirements and they can be quickly complied with. This means that the State offers flexibility that does not exist in other jurisdictions.
- **Netherlands:** It is common practice for multinationals to have companies in the Netherlands in order to manage

their investments and financial resources from there. It should be noted that the economic and legal situation in the Netherlands offers direct access to the most efficient financial markets, enabling companies to make use of swifter legal systems which allow for greater flexibility, resulting in fewer regulatory expenses and faster access to funding sources.

- ENDESA wholly owns International ENDESA, B.V., a Dutch company established in 1993 to raise funds for the ENDESA Group through the Euro Medium Term Note (EMTN) and Euro Commercial Paper (ECP) debt-issuance programmes. Since 2005 the ENDESA Group's listed equity has been issued by ENDESA Capital, S.A., a company resident in Spain. International ENDESA, B.V. will be maintained until the debt issued matures. In any event, the Netherlands, although included on the list

of the Tax Justice Network (November 2009), signed a double taxation treaty with Spain in October 1972 and its corporate tax rate is similar to Spain's (25.5%).

- ENDESA owns 50% of Enel Re, a Dutch company set up in 2011 which groups together the Enel Group's insurance business and to which ENDESA, S.A. contributed its stake in COMPOSTILLA RE, a Luxembourg company.
- **Luxembourg:** ENDESA owns, indirectly and through ENEL Re, 50% of the Compostilla Re reinsurance company. Spain signed a double taxation treaty with Luxembourg in June 1986 and an information-exchange protocol in November 2009. Nevertheless, it is included on the list of the Tax Justice Network (November 2009). In any event, the corporate income tax rate in Luxembourg is 28%, just two percentage points below Spain's.





Our shareholders and investors

Commitment to creating
value and returns

Net income of Euro
1,879 million in
2013

1.5 Euro dividend
per share

2,490 responses to
shareholder requests

13th consecutive
year on the Dow
Jones Sustainability
Index

ENDESA strives to be a benchmark for investors concerned about sustainability and climate change.

In 2013, ENDESA remained a leading company in sustainability, as evidenced by our continued presence in various indexes, including the Dow Jones Sustainability Index and the Carbon Disclosure Project. ENDESA has the highest rating of all IBEX 35 companies for the quality of its publicly available information according to *Informe Reporta*. ENDESA remains committed to having close relations and being transparent with shareholders and investors.

Priority issues – 2013 materiality study	ENDESA's response in the report
Voting rights (respect for the one-share-one-vote principle)	Chapter on Shareholders and Investors: 1.2. Close relations and transparency with shareholders and investors 1.2.1. Investor Relations
Corporate Social Responsibility and Corporate Governance-related issues submitted to General Shareholders' Meeting (GSM)	Chapter on Shareholders and Investors: 1. Generating sustainable value 1.2.1. Investor Relations
Transparency (e.g. information provided to shareholders at the General Shareholders' Meeting, disclosure of results, etc.)	Chapter on Shareholders and Investors: 1.1.3. Sustainability reporting 1.2. Close relations and transparency with shareholders and investors
Shareholders' ability to propose issues and vote at the General Shareholders' Meeting	Chapter on Shareholders and Investors: 1.2.1. Investor Relations 1.2.2. ENDESA Shareholders' Office

Challenges in 2013	Actions taken
In 2013, ENDESA'S investor relations objectives were to be fully transparent in disseminating the Company's financial performance and its commitments to society and corporate governance through ongoing contact with the financial community, mainly shareholders, institutional investors and financial analysts.	<ul style="list-style-type: none"> Meetings were held with investors regarding sustainability (financial considerations) to ensure greater transparency. The key issues highlighted were the quality of presentations, technical knowledge of the industry and the diligence and professionalism shown. Open and fluid channels of dialogue were maintained with shareholders and investors as stakeholders. Information for shareholders and investors on ENDESA'S website was updated constantly. A satisfactory shareholder telephone service was provided, rated for its quality and response time.

Key figures 2010-2013				
	2010	2011	2012	2013
Record score on the Dow Jones Sustainability Index	80	80	81	84
Average quorum at General Shareholders' Meetings (%)	93.99%	93.87%	93.49%	93.39%
Total shareholder return (%)	4.29%	-12.6%	6.44%	38.11%
Shareholder and investor contacts through Shareholder's Office	3,132	2,856	2,881	2,490
Changes in income versus 2012	20.04%	-46.4%	-8%	-7.6%

In 2014 we propose
In 2014, ENDESA'S investor relations objectives include being fully transparent in disseminating the Company's financial performance and its commitments to society and corporate governance through ongoing contact with the financial community, mainly shareholders, institutional investors and financial analysts.

1. Generating sustainable value

1.1. Close relations with socially responsible investors

ENDESA views transparency of information about its activities as a basic tool in outlining its pledge to sustainable development and the responsible use of resources. The Company strives to be a benchmark in sustainability and ensure its investors see it as a leader in the fight against climate change.

1.1.1. Dow Jones Sustainability Index

ENDESA once again ranked among global leaders in sustainability in 2013, as per the Dow Jones Sustainability World Index.

13th consecutive year on the Dow Jones Sustainability Index

In 2013, the Company was listed on the Dow Jones Global Utilities Index for the thirteenth consecutive year, ranking highly among leading electric utilities in Europe (Dow Jones Sustainability Europe Index), as well as in the global utilities ranking (Dow Jones Sustainability World Index).

ENDESA broke a new record, achieving its best overall score since it was first listed on the index in 2011. Its score was three points higher than the previous high, in 2012 and 2011. Its performance in the three economic, social and environmental dimensions also improved; in the latter case, achieving a score some five points high than in the previous year.

ENDESA's performance was especially strong in the financial dimension, regarding its risk and crisis management policies, results measurement systems and its code of conduct. In the environmental dimension, it scored well off the back of the very good results of its biodiversity strategy, environmental management systems and significantly improved water management policies. It also attained an excellent score for its occupational health and safety management and commitment to stakeholders, within the social dimension.

The Company's impressive performance in tackling climate change and social reporting was also highlighted. This recognition

is the result of various factors including fulfilment of most of the objectives set out in the 2008-2012 Sustainability Plan, enabling it to roll out its sustainability strategy across all areas of its business.

For yet another year, Enel and ENDESA were included in the prestigious Sustainability Yearbook 2014 drawn up by RobecoSAM, the sustainability investing specialist. Both companies were awarded bronze classification, putting them among the top five utilities in corporate sustainability matters worldwide.

The Sustainability Yearbook, featuring ENDESA since 2007, analyses, selects and classifies those companies which are world leaders in corporate sustainability in the economic, environmental and social dimensions.

ENDESA was chosen this year, alongside other leaders in its sector, based on its excellence in various areas of these three dimensions.

For further information: www.sustainability-indexes.com.

1.1.2 Carbon Disclosure Project

The latest Carbon Disclosure Project (CDP) report recognised ENDESA as one of the companies that are most committed to tackling climate change worldwide.

ENDESA's CDP 2013 score is up six points on 2012, placing it fourth among electric utilities

The overall position of ENDESA is determined by two CDP indices: the Carbon Disclosure Leadership Index (CDLI) and the Carbon Performance Leadership Index (CPLI).

As highlighted in the CDP Global 500 report, ENDESA featured as the fourth electric utility in the Carbon Dis-



ENDESA, the IBEX 35 company offering the best publicly available information

Informe Reporta, which evaluates the quality of publicly available information of companies listed on the Madrid general stock market index, has placed ENDESA in first position in 2013, awarding its highest rating (AAA).

ENDESA is the only company to receive this rating and its top position is a major improvement on the twelfth place awarded in 2011. The three principles evaluated in this year's report are: information transparency, adequacy and accessibility.

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closure Leadership Index (CDLI), obtaining a score of 98 out of 100; a six-point improvement on its score a year earlier. ENDESA was classified in Band B of the Carbon Performance Leadership Index (CPLI), which is better than its classification in the previous year (Band C).

For further information: CDP Iberia 2013: <https://www.cdp-project.net/CDPResults/CDP-Iberia-125-Climate-Change-Report-2013.pdf>.

1.1.3. Sustainability reporting

ENDESA conveys its commitment to sustainable development in the meetings it holds with investors and analysts, where it outlines its sustainability strategy and the progress made in this area.

1.2. Transparency and close relations with shareholders and investors

ENDESA maintains on-going relations with its shareholders, both private and institutional, as well as leading stock market analysts, providing them with a steady stream of in-

formation through the Investor Relations Department and Shareholders' Office in Madrid.

1.2.1. Investor Relations

Activities of the Investor Relations Department in 2013 included public presentations to analysts and investors focusing on the Company's quarterly results.

ENDESA held its Ordinary General Shareholders' Meeting on 22 April 2013 at its headquarters in Madrid. All the points on the Agenda were approved at the meeting, with a quorum of 93.39% of the share capital.

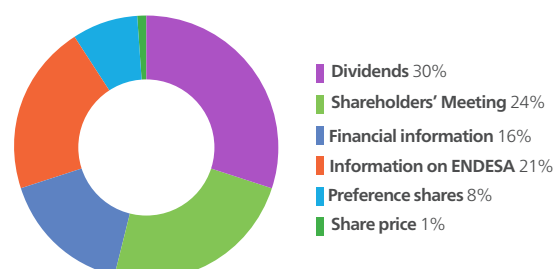
1.2.2. ENDESA Shareholders' Office

During 2013, the Shareholders' Office received 2,434 calls and 56 visits and sent out a large amount of information.

2,490 requests from shareholders handled by Shareholders' Office

One of the main information channels for private shareholders is the "Investors" section of the corporate website (www.endesa.com).

Type of information requested by ENDESA's private shareholders in 2013



2. Impact of ENDESA's business

2.1. Income generated

ENDESA reported net income of Euro 1,879 million in 2013, 7.6% less than in the previous year, mainly due to a Euro 234 million reduction in net income at the Spain and Portugal business following the introduction on 1 January 2013 of the energy sustainability tax measures stipulated in Law 15/2012, of 27 December, and the urgent measures established in Royal Decree Laws 2/2013, of 1 February, and 9/2013, of 12 July. These had a negative gross impact of Euro 941 million, in addition to the annual recurring impact on ENDESA of Euro 396 million arising from the regulatory measures introduced in 2012. The new measures came into effect in 2013 and caused net income to decline Euro 659 million.

ENDESA net income, fiscal year 2013

	Euro million	% change 2012	% of total net income
Spain and Portugal	1,176	-16.6	62.6
Latin America	703	12.7	37.4
Total	1,879	-7.6	100

2.2. Revenues, EBITDA and EBIT

EBITDA and EBIT declined by 4.1% and 2.6% in 2013, respectively, to Euro 6,720 million and Euro 4,302 million.

The 4.1% reduction in EBITDA in 2013 was the result of the 13.7% reduction in Spain and Portugal combined with a 7.3% improvement in Latin America.

2013 results

	Revenues		EBITDA		EBIT	
	Euro million	% change 2012	Euro million	% change 2012	Euro million	% change 2012
Spain and Portugal	21,512	-7.1	3,277	-13.7	1,651	-17.4
Latin America	9,691	-10.2	3,443	7.3	2,651	9.5
Total	31,203	-8	6,720	-4.1	4,302	-2.6

2.3. Investment

ENDESA invested Euro 2,458 million in 2013, Euro 2,253 million was capex and investment in intangible assets and real estate. The remaining Euro 205 million related to financial investments, as shown below:

Investment: 2013 (Euro million)

	Capex and intangible assets (1)	Financial investments	Total	% change 2012
Spain and Portugal	876	57	933	-34
Latin America	1,377	148	1,525	16.1
Total (2)	2,253	205	2,458	-9.9

(1) Stripping out carbon dioxide (CO₂) emission rights, Certified Emissions Reductions (CERs) and Emission Reductions Unit (ERUs).

(2) In 2012, excluded investments in non-current assets held for sale and in discontinued activities amounting to Euro 73 million, and the acquisition of the portfolio of gas customers in the Madrid area for Euro 34 million.

3. Creating value for shareholders

3.1. ENDESA's share performance

The brighter outlook and macroeconomic conditions, primarily in developed countries, combined with the expansionary monetary policies set in motion by the major central banks lay behind the buoyant stock markets in 2013.

In Europe, Spain's IBEX 35 index stood out after rebounding from three consecutive years of contraction, closing the year up 21% and only outperformed by the German stock market (+26%). The Paris Stock Exchange was just behind, advancing 18%, followed by the Milan Stock Exchange (+17%) and London (+14%). The pan-European Eurostoxx 50 index also ended the year up by 18%, reflecting renewed confidence in the stability of the eurozone.

Non-European stock markets were also buoyant in 2013, except those in Latin America. In Japan, the Nikkei surged 57% – the highest annual uptick in 40 years, while the Nasdaq, S&P 500 and Dow Jones in the United States saw gains of 38%, 30% and 26%, respectively, after posting numerous record highs.

Investors in Spain were optimistic given the first signs of economic recovery, with GDP rising slightly in the third quarter (+0.1%), and the consequential reduction in the country's risk premium, which closed the year at its lowest level since 2011. The German bond spread fell over 170 basis points from January, standing at 220 points at year-end 2013. This demonstrated a change in perception of the Spanish market, with various official agencies indicating that the Spanish economy would return to growth in 2014.

The electricity sector in Europe again faced challenges and weak fundamentals: a drop in demand, regulatory risk, questions about the electricity market model, etc., although

it too was party to the stock market upturn. The Dow Jones Eurostoxx Utilities index gained 9%. The only European electricity sector companies not seeing gains in their share price were the German utilities (E.ON: -5% and RWE: -15%).

In Spain, the sector's performance was affected by the introduction of the electricity generation tax, which came into effect in January 2013 through Law 15/2012. The aim of this tax is to wipe out the structural tariff deficit – a matter covered in Royal Decree Law 9/2013, prior to a full energy sector reform, which the regulator initiated in the second half of the year. This overhaul is being implemented through a new Electricity Sector Act and several royal decrees and ministerial orders.

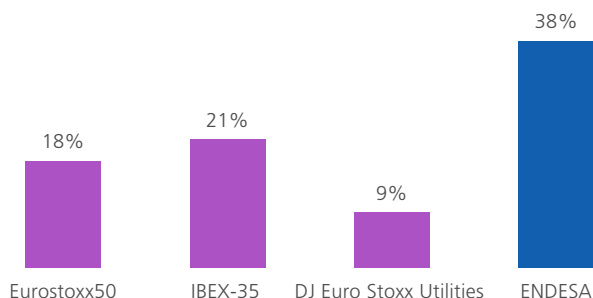
On a positive note, 2013 saw the end of the securitisation of deficit collection rights through FADE (a vehicle designed for this purpose), in relation to the revenue shortfall recognised by electric utilities on their balance sheets.

Following the widespread trend among Spanish equities, ENDESA's share price picked up notably from the low levels reached as a consequence of the major aversion to risk at the start of the year. It ended the year at the forefront of the sector. Shares surged by 38%, ending the year at Euro 23.3 per share – a high for the year. This level was also 46% above the low of Euro 16 registered at the close on 17 July.

ENDESA's share price ended the year at Euro 23.3 per share

The announcement mid-December that ENDESA had returned to paying out an interim dividend against 2013 profits contributed very positively to its performance during the trading year.

ENDESA on the Madrid Stock Exchange and comparison with leading benchmark indexes in 2013



ENDESA's market capitalisation at year end stood at Euro 24,669 million.

3.2. Dividend

In February 2013, ENDESA'S Board of Directors adopted a prudent stance and resolved to suspend the dividend pay-out against 2012 profits, given the regulatory uncertainty in the sector and the high tariff deficit pending securitisation at the time due to market turbulence.

ENDESA's gross dividend per share was Euro 1.5

This measure, tabled by the Board and subsequently approved by shareholders in the 22 April GSM, aimed to underpin the Company's financial position given the challenges of responding to the economic, energy sector and regulatory environment.

Looking forward to 2014, at its meeting held on 17 December 2013, ENDESA'S Board of Directors agreed to pay its shareholders a gross interim dividend against 2013 earnings of Euro 1.5 per share. This distribution gave rise to a pay-out of Euro 1,588 million on 2 January.

3.3. Total shareholder returns

The total return for ENDESA shareholders in 2013 coincides with the share price gain of 38%, as no dividends were paid out during the year.

3.4. IBEX 35

Having been listed on the IBEX 35 since it was set up in 1992, the Technical Advisory Committee decided at a meeting on 16 December 2013 that ENDESA's liquidity was insufficient for it to remain part of this blue chip index. Its share was removed on 23 December

Until that time, ENDESA was listed on the IBEX 35 index with a market capitalisation coefficient of 10% due to its free float of 7.94%.

3.5. Enersis and Endesa Chile share price performance

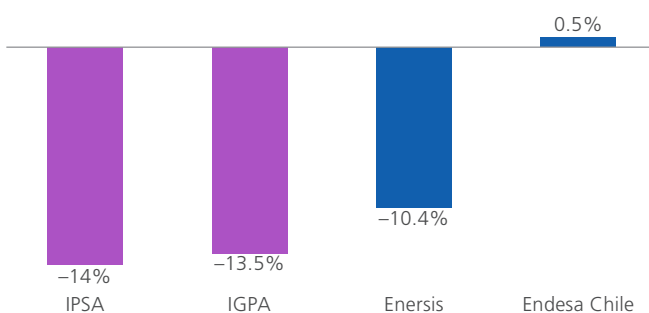
In contrast to the performance of the leading financial markets in Europe and North America, the Latin American stock markets closed significantly down in 2013.

Enersis and Endesa Chile remained the two most traded stocks on the Chilean stock market in 2013 for the second year running



The main index of the Santiago Stock Exchange, the IPSA, ended 2013 down 14% following the negative trend of the other indexes in the region on which the Group is listed: Colcap (Colombia): -12.4%; Bovespa (Brazil): -15.5%; and IGBVL (Peru): -23.6%. The exception to this widespread decline was the stellar performance of the Buenos Aires Stock Exchange where its Merval benchmark index shot up 88.9%, reaching all-time highs after the legislative elections in the country.

Enersis and Endesa Chile on the Santiago de Chile Stock Exchange and comparison with leading benchmark indexes, 2013.



Source: Bloomberg.

ENDESA's main investees in Chile, Enersis and Endesa Chile, posted mixed returns at the 2013 close.

Enersis's shares fell 10.4%, ending the year at Chilean peso 157.60 per share, primarily due to the operating variables such as the prolonged drought for the fourth consecutive year in Chile, doubts about the global economy, and especially the weaknesses in the emerging economies, above all China.

On 28 March 2013, Enersis's capital increase was completed with the 16,441,606,297 newly issued shares being fully subscribed and paid up. This equated to US dollar 5,963 million in cash. Consequently, at year-end 2013, Enersis's share capital was represented by 49,092,772,762 ordinary shares. After executing all its pre-emptive subscription rights, Endesa, S.A. holds 29,762,213,531 of these shares either directly or through its subsidiary Endesa Latinoamérica, S.A., representing a 60.62% stake.

Elsewhere, Endesa Chile saw its share price rise 0.5%, closing 2013 at Chilean peso 782.27 per share. This is a positive result given the fact that the drought hit not only Chile but also other neighbouring countries in which the company operates.

As in previous years, Enersis and Endesa Chile continued to rank among the companies with the highest trading volume on the Chilean Stock Exchange. Enersis' shares ranked among the top four most traded shares on the Santiago Stock Exchange, posting a total trading volume of Chilean Peso 1,571,717 million. Endesa Chile, meanwhile, occupied the sixth slot, with a trading volume of Chilean peso 1,095,408 million; significantly higher than a year earlier.

The average daily trading volume at Enersis was 37.14 million shares in 2013, 48.9% more than the 24.95 million seen in 2012. The average daily volume of Endesa Chile shares

traded climbed 7% from 5.45 million shares in 2012 to 5.83 million in 2013.

The three leading ratings agencies in the world ratified the credit ratings of Enersis and Endesa Chile in 2013. Specifically, S&P and Fitch kept their long-term rating at BBB+, with a stable outlook, while Moody's left the two companies' rating at Baa2, also with a stable outlook.

Enersis' shares (XENI) on the Latibex market fell 19.4% to Euro 0.224 per share, while Endesa Chile's share price (XEOC) decreased 15.1% to Euro 1.026 in 2013.

Note: Enersis and Endesa Chile shares were admitted for trading on the Latin American Securities Market (Latibex) of the Madrid Stock Exchange on 17 December 2001. Until April 2011, the trading unit for Enersis was 50 shares and for Endesa Chile, 30 shares. Since 2 May 2011, the trading unit is unitary.

Key share price data for ENDESA, Enersis and Endesa Chile in 2013

	High	Low	Average	Closing price	Annual gain/loss (%)	Volume of shares traded
Madrid Stock Exchange						
ENDESA (Euro/share)	23.30	16.00	18.35	23.30	38.1%	128,023,145
Chilean Stock Exchange						
Enersis (CLP/share)	188.15	151.80	168.81	157.60	-10.4%	9,263,149,937
Endesa Chile (CLP/share)	840.75	675.67	766.29	782.77	0.5%	1,448,191,935
NYSE						
Enersis (USD/ADR)	19.85	14.69	17.08	14.99	-17.7%	167,229,582
Endesa Chile (USD/ADR)	53.45	39.19	46.46	44.58	-8.7%	25,681,312

4. Wealth generation in 2013

ENDESA's activity as a producer and supplier of electricity is a key element in the economic and social development of the countries in which it operates.

Wealth generation

	Euro million		
	2011	2012	2013
Direct economic value generated	32,835	33,980	31,268
Economic value distributed	26,267	29,467	26,602
Dividends	642 (1)	0	1,588
Operating and other fixed expenses	23,764	25,220	22,838
Personnel expenses	1,625	1,763	1,043
Taxes and duties*	1,349	1,153	1,151
Investment in social projects	46	35.2	40
Finance expenses	1,357	1296	843
Economic value retained	6,568	4,513	4,666

* Includes corporate tax paid in the year on continuing activities, duties and other taxes.

(1) At its meeting on 27 February 2012, ENDESA's Board of Directors agreed to pay shareholders a dividend charged against 2011 earnings of Euro 0.606 per share, bringing total shareholder remuneration to Euro 642 million.



ENDESA 2013 General Shareholders' Meeting





Commitment to the environment

Euro 1,380

million in cumulative
environmental
investment

18 ENDESA

buildings certified
in accordance with
ISO 14001 and
ISO 50001

98.41% of
energy produced
and **97.52%** of
installed capacity
of **ENDESA's**
plants ISO 14001
certified

Emissions of SO₂, NO_x
and particles in Iberia
down 30%, 51% and
47%, respectively,
since 2008

ENDESA aspires to remain an "excellent" company in terms of its environmental performance, concerned about its environmental impact and protecting the environment in the areas in which it operates.

The 2008-2012 Environment Plan, which was extended for a year and covered 2013, is based on a commitment to respecting and protecting the environment. ENDESA continued to uphold its environmental commitment in 2013, conducting its activities in an environmentally-friendly manner, making progress with the roll-out and certification of environmental management systems, renewing existing certifications and devoting resources to biodiversity conservation and responsible waste management.

Priority issues – 2013 materiality study	ENDESA's response in the Sustainability Report
Transparency in environmental policy and commitments (commitments, systems, procedures, scope, etc).	Chapter on Protecting the Environment 1. ENDESA's response to environmental challenges
Water-related risk management.	Chapter on Protecting the Environment 3. Integrated water management.
Pollution control and prevention (e.g. control of spillage, waste, air quality)	Chapter on Protecting the Environment 3.2. Water discharges 4.1. Eliminating environmental liabilities 5.4. Environmental incident management 6. Emission management and regulation
Transparency in environmental impact management of major projects	Chapter on Protecting the Environment 5.3. Integrated Environmental Permits and Environmental Impact Studies 5.4. Environmental incident management
Biodiversity Protection (Policy, impact of proposed and existing operations, responsibilities, reporting of results, etc.).	Chapter on Protecting the Environment 8. Biodiversity conservation.

Challenges in 2013	Actions taken
Verification of carbon footprint based on Aenor ISO 14064-1 standard	Certification of ENDESA's carbon footprint in Iberia and Latin America for 2009, 2010 and 2011 through verification by AENOR of the related carbon footprint report
Preliminary assessment of climate impact on ENDESA's businesses.	Final definition of the method for calculating ENDESA's environmental footprint and 2011 performance.
Implementation of CO ₂ monitoring at plants covered by Law 1/2005 for the 2013-2020 business period.	Selection of ENDESA by the Spanish Climate Change Office in 2013 as the pilot company representing the electricity sector in the Adapta Initiative, conducting a climate change vulnerability assessment at three plants in the Southern Hydroelectric Production Unit.
	Presentation of monitoring plans as required by law within the established timeframe.
MAPEC assessment for 100% of ENDESA's installations.	MAPEC assessment at all ENDESA's installations in the second half of 2013.
Organisation of environmental management on the basis of new criteria defined by One Company	Drafting and publication of "Organisational Procedure" at division level.
	Training of key personnel
	Definition of new organisation and publication of the related "Organisational Guidelines"

Key figures 2010-2013				
	2010	2011	2012	2013
Cumulative investment in environmental assets (Euro million)	1,227	1,270	1,324	1,380
Percentage reduction of ENDESA emissions (g/KWh)	0.54 SO ₂ 0.80 NO _x 0.04 particles	1.33 SO ₂ 1.72 NO _x 0.07 particles	0.71 SO ₂ 0.92 NO _x 0.03 particles	0.69 SO ₂ 0.88 NO _x 0.03 particles

In 2014, we propose
To obtain updated Integrated Environmental Permits (IEPs) for the thermal plants in Iberia in accordance with Law 5/2013.
To comply with the requirements of the new IEPs, especially as regards soil and underground water.
To consolidate the method for calculating ENDESA's environmental footprint and present the results of its implementation.
To obtain verification of the 2012 Carbon Footprint Report and draft the 2013 report.
To carry out R&D and innovation projects on fluvial connectivity applied to the functional ecological integration of the hydroelectric facilities.
To prepare a system of biodiversity audits for the Company's hydroelectric plants.
To perform hydrodynamic modelling of reservoirs in order to improve their hydroelectric and environmental management.
To complete the ISO14001 certification scope for generation facilities in Iberia.
To update the environmental risk assessments for 100% of ENDESA's generation and distribution facilities in Latin America.
To consolidate environmental management on the basis of new criteria defined by One Company
Through San Ignacio del Huinay Foundation: to promote biodiversity research, preservation, protection and recovery on the Company's land.

1. ENDESA's response to environmental challenges

Sustainable development is one of the main pillars of ENDESA's strategy and environmental protection one of the Company's most important commitments. This stance sets ENDESA apart from other companies as it is a positive difference that shapes the Company's behaviour and is expressly included in its corporate values.

Through its commitment, ENDESA aims to minimise the impact of its industrial activities on the natural environment where it operates. Its environmental commitment encompasses initiatives related to combating climate change, following proper waste management practices, reducing and controlling atmospheric emissions, spillages and soil pollution, and other potentially harmful impacts.

At ENDESA, environmental management aims to minimise the consumption of natural resources and to conserve biodiversity in the areas where the Company operates.

Assessment of the environmental risks inherent in the Company's activities and the environmental certifications obtained from external agents help ensure excellence in ENDESA's environmental management, which is fully integrated into and aligned with the Company's corporate strategy.

Meanwhile, Enel has established a set of quantitative targets for the main environmental indicators for the entire Group, including ENDESA's facilities, with a time horizon to 2020 and based on 2010 values. These objectives are:

- 15% reduction of specific CO₂ emissions
- 10% reduction of specific NO_x and SO₂ emissions
- 50% reduction of specific emissions of particulates
- 10% reduction of specific consumption of water

ENDESA aims to help achieve these targets through its environmental management plans and systems.

1.1. ENDESA's 2008-2012-2013 Environment Plan

ENDESA's commitment to respecting and preserving the environment has a direct impact on the decisions taken by senior management. Consequently, the environment is one of the key strategic lines of ENDESA's 2008-2012 Sustainability Plan, which was extended for a year to include 2013. This extension underlines ENDESA's traditional commitment to protecting the natural environment, taking a determined stance in the fight against climate change and seeking excellence in the management of the other environmental issues mentioned above.

The Environment Plan is based on three main principles: combating climate change; striving for excellence in environmental management (including integrated water management, environmental risks and liabilities management, advanced environmental management, and emissions regulation management); and managing biodiversity conservation.

The three key aspects of the action plans are:

A. Combating climate change (for further information, see Chapter on Combating Climate Change)

- Participating actively in the development of renewable energies
- Taking the lead in the development of new technologies to curb CO₂ emissions
- Developing energy efficiency and cogeneration opportunities
- Leading the development of a sustainable transport model based on the electric vehicle
- Developing a portfolio of Clean Development Mechanisms (CDM)

B. Striving for excellence in environmental management:

B1. Integrated water management

- Promoting efficient water use and protecting water quality in all processes
- Treating wastewater and ensuring effective control of spillages at all facilities, including minimising waste and spills
- Managing river flows with specific programmes to ensure minimum volumes
- Practicing integrated management of reservoirs, by measuring the quality of the water in them and applying corrective measures where necessary to improve physical and ecological conditions and reservoir use

B2. Environmental risks and liabilities management

- Classifying all facilities based on the environmental risks and liabilities to which they are exposed
- Evaluating risk by implementing the Enel Group's MAPEC (Mapping of Environmental Compliance) methodology. The programme of environmental risk assessments in Latin America was completed for all companies and facilities in 2013. The MAPEC methodology has accordingly been implemented in 100% of the facilities
- Managing risks by implementing measures to mitigate risks classified as critical and eliminating specific environmental contingencies

B3. Advanced environmental management

- Integrated management systems: environment, quality and safety where appropriate, and certification in accordance with the prevailing three regulations at the majority of our facilities

- Developing a methodology for evaluating new projects based on sustainability criteria
- Moving towards the implementation of an Environmental Audit
- Extending the benchmark environmental management programme to contractors and suppliers
- Managing penalty proceedings in each company
- Improving environmental reporting
- Continuing with ISO 14001 and European Eco-management and Audit Scheme (EMAS) certification programmes in Europe and raising the quality of environmental management

B4. Emissions regulation management

- Adhering to new regulations and assessing the impact on the business
- Controlling and measuring emissions
- Adhering to emissions reduction plans and programmes in the various businesses

C. Biodiversity conservation management

- Incorporating biodiversity conservation criteria into the operational procedures of facilities, as a decisive factor in operating and managing our assets, implementing action plans that avoid risks in this area
- Creating a corporate culture based on biodiversity conservation
- Developing a Biodiversity Conservation Programme to be applied at all ENDESA facilities and companies
- Unlocking the value of preserving the Company's natural heritage

2. Significant investments

ENDESA's cumulative investment in environmental assets stands at Euro 1,380 million.

ENDESA invests heavily to achieve excellence in environmental management. In 2013, it invested Euro 30 million in environmental activities (Euro 30 million in Iberia and Euro 56 million in Latin America), bringing cumulative investment at year-end 2013 to Euro 1,380 million, 4.15% more than the year before.

ENDESA's cumulative investment in environmental assets stands at Euro 1,380 million.

Environmental expenditure totalled Euro 126 million Iberia and Euro 4 million distributed across five Latin American countries in 2013.

Average annual environmental investment (Euro million)	2013	2012	% change
Business in Spain and Portugal	30	36	(16.6)
Business in Latin America	56	34	64.7
Total	86	70	22.9

Cumulative environmental investment (Euro million)	2013	2012	% change
Business in Spain and Portugal	1,311	1,282	2.3
Business in Latin America	69	42	64.3
Total	1,380	1,324	4.15

Average annual environmental expenditure (Euro million)	2013	2012	% change
Business in Spain and Portugal	126	140	(10.0)
Business in Latin America	4	2	100
Total ⁽¹⁾	130	142	(8.5)

(1) Of total environmental expenditure, Euro 53 million in 2013 and Euro 49 million in 2012 went to the depreciation and amortisation of the investments.

3. Integrated water management

The United Nations General Assembly, through Resolution A/RES/58/217, proclaimed 2005-2015 the International Decade for Action, "Water for Life".

ENDESA has identified water as a critical resource that will be affected by climate change. According to OECD forecasts, by 2050, more than 40% of the world's population will live in areas of high water stress unless new policies are implemented.

For the fourth consecutive year, ENDESA has adhered to the CDP Water Disclosure

Companies will play an important role in the development and implementation of solutions for these water problems. This is why in 2013, for the fourth consecutive year, ENDESA, as one of Spain's leading power companies, subscribed to the CDP Water Disclosure initiative, which provides vital water-related data from the world's largest corporations to inform the global marketplace on investment risk and commercial opportunities and to guide investors towards sustainable water use.

As part of this initiative the CDP publishes an annual report. "CDP Global Water Report 2013" analyses, based on the responses of 184 participating companies, the main risks and opportunities identified in relation to water availability and the management trends in relation to these risks. The report highlights ENDESA's active involvement in water planning activities in Spain and Brazil.

As water is a common resource, water management has become a delicate social, cultural and environmental issue, particularly in times of shortage. For this reason, solutions to improve the supply, treatment and quality of water require collective action.

ENDESA expects to have a competitive advantage when aligning its corporate water strategy with public policies and initiatives put forward by the many parties involved.

Through flexible and on-going contact with these, the Company should be able to understand new problems and ex-

pectations and respond accordingly. Open dialogue could be useful for preventing and reducing the risk of future water-related conflicts.

This is another example of how ENDESA's sustainability initiatives are aligned, striking a balance between the Company's financial, social and environmental responsibilities, on the basis of criteria of sustainability.

In addition, the Company clearly perceives water use in the remaining production processes (thermal, nuclear plants, etc.) as a fundamental component of its business.

To illustrate, in the area of water management, the Group made an inventory of all its wastewater treatment facilities, reservoirs equipped with environmental control parameters and stretches of regulated rivers with environmental flow problems. Water resources at combustion facilities were also classified to set water consumption reduction targets.

3.1. Water usage and consumption

Integrated water management is one of the cornerstones of the Environment Plan. The main programmes implemented by ENDESA focus on efficient consumption, water quality by controlling spillages and waste water, and reservoir management, assessing the ecological potential to provide shelter for birdlife, the possibilities to control invasive species and prevent the existence of dried up sections of regulated rivers.

In 2013, work continued on the specific limnological monitoring of several of the main basins of the Ebro (Riba-roja, Baserca, La Torrassa) and Sil (Bárcena, Las Rozas, Matalavilla, Campañana, Peñarrubia, San Sebastián and Pías) rivers to assess their ecological status and the factors conditioning this status. To assess the ecological state of rivers regulated by ENDESA's reservoirs and catchments, all the data contained in the Basin Hydrological Plans in this respect were compiled. Therefore, the Company has a basic reference on the ecological stat of the continental aquatic ecosystems surrounding its hydro facilities.

The Company also improved wastewater treatment at its hydro plants, replacing authorised effluent systems with confined and controlled removal processes. The Group has therefore pursued its policy of effluent confinement, phase separation and selective management of final waste, working towards a zero discharge target on public land used for hydroelectricity.

Process water consumption (hm³)

	2011	2012	2013
Spain and Portugal	57.19	56.93	63.14
Thermal power units (TPU)	53.38	53.55	44.27
Nuclear power	1.7	1.21	16.94
Mining	0	2.18	1.93
Latin America	12.37	11.42	16.48
Thermal power units (TPU)	12.37	11.42	16.48
Other countries*	0.47	0.34	0.005
Thermal power units (TPU)	0.47	0.34	0.005
Total ENDESA	45.67	68.95	79.62

*Data for 2013 for other countries refer exclusively to Morocco

Last year, fresh, sea and wastewater were withdrawn for use at the company's plants following criteria of sustainably and efficient consumption at all times. Water withdrawal for industrial use declined in 2013 owing to decreased activity at the facilities. The sharp increase in water withdrawal at nuclear plants was the result of a change in reporting criteria, as it included losses from evaporation at the Ascó I and II nuclear plants, which were not included in previous reports. The increased usage of process water of the Latin American thermal plants was due to their higher output compared to the year before.

3.2. Water discharges

ENDESA has a series of procedures in place to help control and reduce discharges into water systems and improve water quality, mainly through wastewater treatment facilities.

Water discharges at thermal plants are closely correlated to plant operation, and as such are highly predictable. Therefore, there are no differences between expected and unexpected discharges. Even extraordinary discharges can be planned in advance.

Water is treated before it is discharged. This involves the decanting of solids that could be in suspension and adjustment of the pH. The law and environmental permits of each facility determine the characteristics of the discharge.

The destination of the discharges depends on plant location, either along a river basin or on the coast.

Effluents from our facilities are not reused by third parties.

ENDESA industrial discharges (hm³)

	2011	2012	2013
Spain and Portugal			
Thermal power plants	24.4	32.93	41.24
Nuclear	1.6	1.74	1.62
Latin America			
Thermal power plants	5.5	5.41	6
Other countries*			
Thermal power plants	0.16	1.95	0

*Data for 2013 for other countries refer exclusively to Morocco

Total water withdrawal by source (hm³)

		Spain and Portugal	Latin America	Morocco	Total ENDESA
Industrial use	Freshwater withdrawal	60.34	16.48	0.005	76.83
	surface water	57.87	3.40	0	61.27
	wells	1.91	9.8	0	11.71
	municipal network	0.56	2.95	0.005	3.52
	Seawater withdrawal	0	0.37	0	0.37
	Seawater withdrawal (desalinated)	2.78	0.37	0	3.15
	Wastewater withdrawal (internal use)	0	0	0	0
Cooling use	Seawater (open cycle)	4,042.32	708.05	0	4,750.37
	Surface water (open cycle)	1,605.29	1,615.81	0.003	3,221.10
	Water (closed cycle)	470.98	8.9	0.002	479.88
	volume of water processed	490.38		0	490.38
	drainage from cooling towers	245.97		0.002	245.97
Engineering use		0.42	0.14	0.01	0.57
Total		6,201.54	2,366.13	0.019	8,469.21

4. Environmental risks and liabilities management

The balance between assumable risks and investment costs to eliminate these risks lies at the heart of ENDESA's approach to managing environmental risks and liabilities.

Therefore, ENDESA continues to implement the Enel Group's global MAPEC (Mapping of Environmental Compliance) project. Enel has developed a specific methodology to assess compliance with environmental regulations and the environmental performance of the Group's facilities by drawing up a map to reflect the most significant potential environmental risks, and to identify possible risks of non-compliance with legal requirements and improvement opportunities, in line with the strategies developed by its senior management. The rollout of the project was completed in 2013, and all of the Group's electricity production and transmission/distribution facilities (excluding nuclear) have been assessed. Broadly speaking, these studies have identified low environmental risk at the Group's mainland facilities in Spain and Portugal and moderate risk at its facilities in Latin America.

Facilities requiring improvement have formulated their improvement plans, and their effectiveness will be gauged by studying the risk over the coming years.

Last year, 56 facilities were assessed in Spain and Portugal. Of these, 39 were reassessments of the studies made in 2012 and 17 were first-time assessments.

In Latin America, ENDESA carried out self-assessments of environmental risks on all its generation facilities in the region (with the exception of the Atacama thermal plant) and all its distribution companies. As for its operations, 32 generating, six distribution and one transmission facility were assessed, for a total of 39 self-assessments. In terms of corporate management of environmental issues, the 14 companies to which the aforementioned facilities belong were assessed. The results of the assessments were input into a collaborative IT platform that automatically calculates "residual risk indicators". A graphic analysis tool was

also developed to show the results of the self-assessments with updated data at 2013 and comparisons with the results obtained in 2012.

4.1. Eliminating environmental liabilities

Environmental liabilities may be classified as high, average or low, depending on their potential environmental impact, risk for people, and their scope and surface area.

Spain and Portugal

The environmental restoration of the As Pontes mine, which was completed in 2012 with the filling of the mining excavation, is the largest ever restoration of a mining space and in Spain. The lake and waste dump are also the most biodiverse area in Galicia. The restoration work on the mining excavation carried out by ENDESA since the 70s, which was compiled in a research piece, garnered a great deal of recognition in 2013, including the Fondena Award for outstanding work in preserving nature, or the Innovación Empresarial (business innovation) Award for best Corporate Social Responsibility project.

Over the course of the year, demolition and decommissioning work continued at the former Sant Adrià de Besós and Badalona thermal plants, while the required administrative work to address the dismantling and withdrawal of the plant pontoons commenced. The objective is to restore the site that housed the thermal generation plant for more than 100 years for other uses. At the bequest of the local authorities, three chimneys and the turbine warehouse of the Sant Adrià de Besós plant will be kept as mementos.

Soil and underground water characterisation work began in 2013 at the thermal plants where this was necessary, as part

of the Integrated Environmental Permit (IEP) update process to adapt to Law 5/2013 amending Law 16/2002 on Integrated Pollution Prevention and Control in order to prepare the required base report. This should allow for early detection of potential hidden environmental liabilities and reporting on their resolution.

The Company's commitment to protecting the environment means that it feels obliged to eliminate environmental liabilities. Therefore, each facility identifies its environmental liabilities, which are addressed within the framework of their environmental management programmes. This may include elimination, disposal or reuse.

In Chile, Chilectra managed the environmental liabilities of all its substations in 2013. It removed any debris found, helping the substations to become more environmentally friendly.

In Colombia, 13 constructions in disuse at the Guavio hydroelectric plant and the warehouse of surplus project materials and the former electric maintenance workshop at the Cartagena thermal plant were demolished during the year.

Meanwhile, Codensa identified 39.5 tonnes of PCB, of which 118.4 tonnes were exported to Spain (Befesa plant) in compliance with national and international environmental leg-

ENDESA's Chairman and the regional president of Galicia present a documentary on the restoration of the As Pontes mine

ENDESA Chairman Borja Prado Eulate and Galicia regional president presented a document entitled "Azul y verde sobre negro" (blue and green on black) showing the transformation of the former mining space at As Pontes into a space with a high degree of biodiversity of plant and animal life.



At the presentation, ENDESA's Chairman highlighted that sustainability is a cornerstone of the Company's business: *"Our company has spent many years working on innovating and developing technologies so that our children can inherit a more sustainable world. We believe the success*

of our business, the well-being of society and the ecological viability of the planet largely depend on our firm commitment to sustainability".



The documentary shows the transformation of the 2,065 hectare site of what was Spain's largest lignite mine, which ENDESA operated from the 1970s to 2007, an area of huge environmental interest, with woods, meadows, wetlands and a lake. While the area was heavily altered as a result of the mining activity, the Company was able to restore it and transform the area into a rich landscape, spontaneously colonised by wild fauna. All of this is the result of a carefully mapped out plan, in which the recovery work was considered an element of the production process.

isolation relating to this type of waste. Also, through the initiative to replace equipment in use that is highly likely to contain PCB, 306 pieces of equipment were removed and an equivalent number of PCB-free pieces were installed.

4.2. Environmental inspections in Latin America

The objective of these inspections is to monitor compliance with environmental regulations and the voluntary commitments assumed by the facilities, detect as early as possible any substandard environmental conditions (e.g. the incorrect disposal or classification of waste, stored supplies that have not been properly separated or environmental liabilities that have not been dealt with), and promote best environmental practices among generation plants.

At CODENSA, a schedule of environmental inspections of the warehouses of partner companies considered to have a high environmental impact for the Environmental Management System was drawn up. In addition, the Integrated Hazardous Waste Management Plan of each of these companies underwent a review and technical analysis.

The objective of these inspections is to monitor compliance with environmental regulations and the voluntary commitments assumed by the facilities, detect as early as possible any substandard environmental conditions (e.g. the incorrect disposal or classification of waste, stored supplies that have not been properly separated or environmental liabilities that have not been dealt with), and promote best environmental practices among generation plants.

Also in 2013, a dozen electromagnetic fields were monitored. The levels were within the limits set out in environmental legislation. In addition, 23 complaints regarding the noise caused by the transformers were followed up and monitored. Of these, the maximum sound levels set out in Resolution 6918 of the Regional Environmental Secretary at night were exceeded in 11 of these incidences. Corrective measures were taken by the maintenance personnel in charge.

5. Advanced environmental management

ENDESA made progress with its environmental management in 2013, in terms of certification, integrated environmental permits and environmental impact studies. In addition, measures were implemented to improve the process of collecting the information submitted by the different areas and the quality of this information.

5.1. Certification of environmental management systems

One of the strategic environmental objectives of ENDESA's Sustainability Plan 2008-2012 was to achieve ISO 14001 certification for 100% of its facilities. This was also an objective in 2013.

Therefore, ENDESA continued to work last year on implementing and obtaining ISO 14001 certification of its environmental management systems and registering them in the European Eco-Management and Audit Scheme (EMAS) in the main areas and countries in which it operates, as well as renewing the certifications already obtained.

5.1.1. Spain and Portugal

In 2013, ISO 14001 certifications for the environmental management systems (EMS) implemented in all ENDESA's facilities in Spain and Portugal were maintained.

Generation

At year-end 2013, 97.23% of ENDESA's installed capacity in Spain and Portugal was ISO 14001 certified, and all of its port terminals and mining operations.

97.24% of the energy produced by ENDESA in Spain and Portugal is ISO 14001 certified

With regard to the Eco-Management and Audit Scheme (EMAS), in 2013 the Besós thermal plant was registered and

the system was implemented at the Jinámar thermal plant and the El Palmar diesel-fired plant.

In Latin America, the percentage decreased in 2012 as the Bocamina II plant was undergoing the certification process.

Output at ENDESA's certified facilities (%)

	2011	2012	2013
Spain and Portugal	99.88	97.87	99.90
Latin America	100	99.53	96.78
Other countries	100	100	100
Total	99.94	99.59	98.41

ENDESA's accredited capacity (%)

	2011	2012	2013
Spain and Portugal	94.9	93.5	97.24
Latin America	100	97.8	97.8
Other countries	100	100	100
Total	97.12	99.71	97.52

Data for 2013 for other countries refer exclusively to Morocco

Distribution

Endesa Distribución has expanded the certification for all divisions to include the North West. Accordingly, all the transformation and distribution activities in Spain are included under the scope of the certification following the modification on 21 March 2013.

All of ENDESA's mining facilities and port terminals in Spain and Portugal are certified

ENDESA's head offices

Of the various measures taken during the year, we would highlight ENDESA's efforts to reduce electricity consumption and, accordingly, CO₂ emissions at its offices, as illustrated by:

		Balearic Islands	Andalusia	Aragon	Canary Islands	Catalonia	Madrid
ISO 14001	Waste separation	5% improvement in waste separation			Better separation of non-hazardous waste	Separation of organic fraction from other ordinary waste	Optimisation of waste separation
		5% increase in paper for recycling					
	Waste reduction		2% reduction of per capita paper and cardboard waste generation	Decrease in paper consumption at buildings in the Aragon region	3% reduction of paper consumption for office use	Decrease in paper consumption at buildings in the Catalonia region	1% reduction of paper consumption
ISO 50001	Reduction of electricity consumption	3% decrease in electricity consumption from baseline	3% reduction of energy consumption for building heating and cooling	5% reduction of energy consumption for lighting in all buildings	3% reduction of electricity consumption of offices		1% reduction of electricity consumption
	Reduction of gas consumption	3% reduction of natural gas consumption from 2012					1% reduction of gas consumption
	Reduction of water consumption				3% reduction of water consumption in offices		1% reduction of water consumption
						5% improvement in building lighting efficiency	
	Improvement in control of energy usage		Improvement in control of electricity usage	Improvement in control of electricity consumption in buildings	Improvement in control of electricity consumption in buildings	Improvement in control of electricity usage in buildings	
						Improvement in control of electricity usage for heating and cooling	Replacement of Fancoils thermostats with non-adjustable thermostats
ISO 171330	Compliance levels		80% of points sampled in air treatment units complied with the recommended microbial levels under UNE standards	Reduction of microbial air pollutants in air-conditioning units at Miguel Servet (HU) hospital	1% reduction of parameters input in interior heating and cooling controls		Installation of BIOAMP units to ensure quality of discharges
	Improvement in maintenance	Improvement in outside air filtering system in the air-conditioning units				Improved heating and cooling control in building interiors	Regular cleaning of HVAC equipment
			Improvement of relative humidity in building interiors				
	Training		Training of 90% of personnel who did not receive classroom training				Environmental and energy awareness among employees
	Sustainable mobility				Provision of sustainable transport among ENDESA employees		

- AENOR certification for the Energy Efficiency System (ISO 50001) and Environmental Management System (ISO 14001) at 18 of its offices in Spain. Moreover, six of these offices were granted certification for Internal Air Quality (UNE 171330-3) in recognition of their commitment to protecting the environment.

The Energy Management, Environmental Management and Interior Air Quality certificates position ENDESA's buildings as models of sustainable management and construction, with a total surface area exceeding 115,000 m².

- ENDESA's new headquarters in Catalonia, located at Avenida de Vilanova in Barcelona, received an "A" energy efficiency certificate rating, the highest available, from the regional government's Catalan Energy Institute. The high energy efficiency accreditation obtained is in line with estimated annual energy savings of 357,886 kWh (equivalent to the electricity consumption of 84 households), avoiding the emission into the atmosphere of 195 tonnes of CO₂ a year.

The complex comprises several buildings equipped with thermal solar panels which can heat water to meet most of the buildings' needs, as well as photovoltaic panels on some of the buildings' rooftops. They also have efficient lighting management systems, above-average thermal isolation and cutting edge systems for filtering rain and grey water for subsequent recycle and reuse. The entire complex is controlled by a single new-generation IT system designed to save energy.

Since 2011, the corporate headquarters in Madrid has had an Integrated Environmental, Energy Efficiency and Indoor Air Quality Management System, becoming the first building in Spain with these characteristics to be awarded triple certification, ISO 14001, UNE 16001 and UNE 171330-3.

In the first quarter of 2013, an extraordinary audit was carried out to renew the Integrated Environmental, Energy Efficiency and Indoor Air Quality Management System to allow buildings obtaining certification in the first phase of the programme to be included.

ENDESA's Barcelona office complex awarded the highest energy efficiency rating

ENDESA's new headquarters in Catalonia, located at Avenida de Vilanova in Barcelona, received an "A" energy efficiency certificate rating, the highest available, from the regional government's Catalan Energy Institute.

The certificate, which applies to the newly-constructed section of the complex, is valid for 10 years and verifies that the current installations help increase and improve energy efficiency and savings. The office complex comprises buildings from different eras, some of which are considered to be of special interest and have influenced the overall restoration and construction of the new spaces.

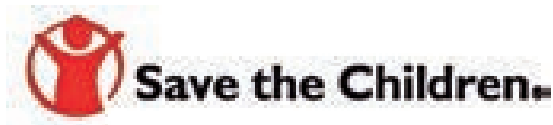
The complex is equipped with thermal solar panels to heat water, a general HVAC system with appliances capable of



recovering air from the various floors occupied, a smart lighting management system and a façade fitted with multi-layer thermal insulation.

In 2013, ENDESA and ECOEMBES signed an agreement, ratifying ENDESA's firm commitment to minimising waste production and achieving maximum levels of separation.

The income obtained from improved waste separation goes entirely to the NGO Save the Children.



5.1.2. Latin America

Of the Company's 59 electricity generation facilities in Latin America, 58 (98%) successfully maintained EMS certification based on ISO 14001 in 2013. The exception was the Bocamina II thermal plant in Chile, as it came onstream in October 2012 and is currently in the process of obtaining EMS certification. Therefore, at 31 December, 97.8% of the Company's installed capacity in Latin America is certified under this standard.

97.8% of installed capacity in Latin America is ISO 14001 certified

An exhaustive review of the plants' various EMS certifications was also completed during the year with a view to establishing and obtaining certification for a single EMS.

Work is currently underway on a new management model for large projects in Latin America. This model must cover all aspects of social and environmental management, from the early stages of development.

In Colombia, the EMS implemented at all of Emgesa's generation facilities was re-certified by Bureau Veritas Certificación and extended to 3 January 2017. As for distribution in Colombia, the certification of all Codensa's facilities is valid until 28 December 2015.

5.1.3. Morocco

In 2013, the Tahaddart combined cycle power plant in Tangiers, in which ENDESA holds a 32% stake through Energie Electrique de Tahaddart, renewed the ISO 14001 certification of its EMS obtained in December 2009.

Tahaddart was the first energy producing plant in Africa to obtain international certification. In its four years of operations, a series of improvement initiatives have been carried out at the plant as part of the Environmental Management Programme. These include the construction of a storage area for waste products and contracting of authorised companies to manage these products, reducing the consumption of water and chemical products and training and awareness-raising among the plant's employees about EMS. Also noteworthy in the year were the huge environmental awareness-raising efforts made there, with participation in conferences and seminars on the environment held throughout Morocco. In June 2013, an awareness-raising session was conducted for children in Tangiers, which included activities related to environmental protection (e.g. waste collection on the beach nearby, planting of trees, tour of the plant, presentation of a best practices handbook).

5.2. Integrated Environmental Permits and Environmental Impact Studies

5.2.1. Spain

In 2013, ENDESA adapted the Integrated Environmental Permits (IEP) of its generating facilities as provided for in the EU Directive on Industrial Emissions under the scope of application of IPPC legislation. As part of this process, it performed the necessary soil and underground water characterisation work to prepare the base report on soil as provided for in the newly approved IPPC legislation. In addition, the Company initiated procedures to amend the IEPs of the Litoral thermal plant in Almeria related to the enlargement of the plant's landfill, and of the Guía de Isora gas turbines related to the change in plant operation. An application for IEP for

the enlargement of the Carboneras Port Terminal was not submitted, while the installation of air coolers in Diesel units 20 and 21 of the El Palmar diesel plant were considered non-substantive amendments.

Environmental Impact Studies (EIS) were conducted and presented on the Soria Chira hydro pumping station, the Montnegre hydro pumping station and the enlargement of the landfill at the Litoral thermal plant in Almeria during the year, while the non-subjection of EIS of the gas turbine water injection of the Arona plant was submitted.

Meanwhile, as demolition work of the former Sant Adrià and Badalona thermal plants was being carried out, studies were conducted on the state of the soil with a view to optimising the future site restoration, exploiting potential synergies with the demolition work.

5.2.2. Latin America

In Chile, Chilectra filed an Environmental Impact Statement (EIS) in 2013 within the framework of the Environmental Impact Assessment System (EIAS) for the modification of the 110 kV Cerro Navia-Lo Aguirre, Sector ENEA, power line. Also during the year, three distribution projects were approved: the "Tap to Chicureo Substation 220kV power transmission line", the "Powering of the TAP Lo Boza 110kV power transmission line" and the "Installation of a second transformer bank at the Chena 220/110 kV Substation" projects.

Also during the year, Endesa Chile submitted the following projects to environmental assessment: "S/E Punta Alcalde-S/E Maitencillo LTE S/E Punta Alcalde-S/E Maitencillo Power Transmission Line", "Optimisation of the CCGT at the Taltal Thermal Plant" and "Optimisation of Unit 2 of the Bocamina Thermal Plant".

At 31 December 2013, environmental assessments were under way for the "Neltume Hydroelectric Plant" and the "Neltume Substation-Pullinque High Voltage Line" projects.

The "Punta Alcalde Thermal Plant" project was approved by the Council of Ministers in February 2013. It was rejected at regional level, but the ruling was reversed on appeal. At 31 December 2013, a Supreme Court ruling was pending.

In Chile, 13 of Endesa Chile's 29 plants currently in operation hold environmental permits, giving the project a favourable environmental review in accordance with prevailing legislation, while assessments have been carried out at a further two to obtain World Bank funding.

In Colombia, the environmental initiatives set out in the Environmental Management Plans (EMP) for the Guavio, Cartagena, Betania and Cadena Pagua generation plants and the plants of the former CASALACO chain comprising the Charquito, San Antonio, Tequendama, Limonar, La Junca and La Tinta plants were carried out in 2013. These entailed execution of the programmes approved by the Colombian environmental permission agency, Autoridad Nacional de Licencias Ambientales (ANLA), designed to prevent, mitigate and control environmental impacts derived from the generation process. They included follow-up, monitoring and contingency plans.

The environmental permit for the El Quimbo hydro plant construction project outlines environmental compensation. This focuses on developing programmes for managing waste from excavation work, care and protection of critical or vulnerable areas, the restoration of areas being used temporarily, solid waste management, sources of emissions or noise, plant cover and terrestrial habitats, local wildlife and the possible recovery of fish species.

5.3. Environmental incident management

Despite ENDESA's willingness to go beyond the legal requirements for safeguarding the environment, some incidents did arise in 2013. *For further information, see Chapter on Good Governance, section 2.2. Sanctions Applied (pg. 117)*

6. Emissions management and regulation

ENDESA closely monitors all of its emissions to verify their characteristics and the volumes emitted. The Company complies with legally stipulated parameters, rolling out technologies that curb emissions and applying measures to reverse any resulting impacts.

6.1. Emissions

6.1.1. Spain and Portugal

ENDESA complies with the 2008-2015 National Emission Reduction Plan for large combustion plants. Within the framework of this plan, ENDESA has carried out significant initiatives at its facilities to curb emissions, making it possible to reduce sulphur dioxide (SO₂) emissions by 30%, nitrogen oxide (NO_x) emissions by 51% and particles from the large plants that are operating under the National Emissions Reduction Plan by 47% since 2008.

Actions performed in 2008-2013 have enabled a 30% reduction of SO₂, a 51% reduction of NO_x and a 47% reduction of particles emissions

The transposition of EU Directive 2010/75/EU on industrial emissions into Spanish law through Law 5/2013 and Royal Decree 815/2013 introduces new and stricter environmental restrictions in the area of pollutant emissions. Specifically, existing plants must comply with new limits and implement a range of mechanisms from 2016, which will lead to a progressive reduction of atmospheric emissions from large combustion plants. In this respect, major plans and investments in thermal generation will be necessary.

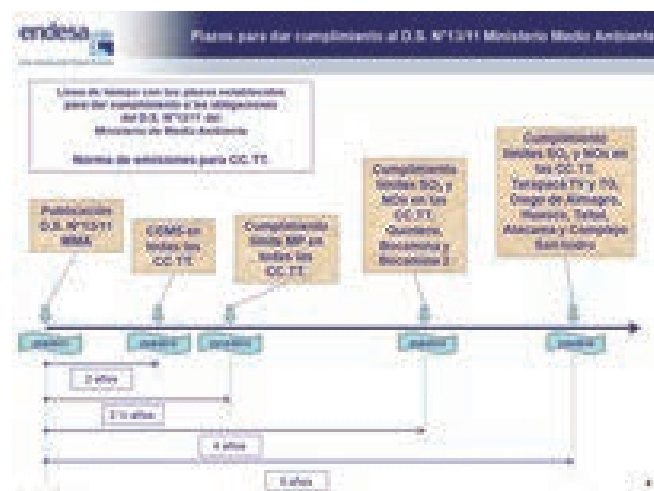
6.1.2. Latin America

SO₂ and NO_x emissions increased in 2013, while emissions of particles were unchanged. This was the result of the sharp

increase in thermal generation in general and coal-fired generation in particular.

The increase in NO_x emissions from the year before was due to higher emissions from the Buenos Aires plant, despite ongoing emission-reduction efforts, and the plants in Chile.

For a breakdown of CO₂ emissions, see Chapter on Climate Change, section 2.2.1. CO₂ emissions.



ENDESA emissions of SO₂, NO_x and particles

	2011	2012	2013
Spain and Portugal			
SO ₂ (gSO ₂ /kWh)	1.07	1.02	1.00
NO _x (gNO _x /kWh)	1.42	1.40	1.29
Particulates (g particles/kWh)	0.04	0.04	0.04
Latin America			
SO ₂ (gSO ₂ /kWh)	0.33	0.34	0.37
NO _x (gNO _x /kWh)	0.40	0.34	0.46
Particulates (g particles/kWh)	0.04	0.02	0.02
Other countries			
SO ₂ (gSO ₂ /kWh)	0.52	0.26	0
NO _x (gNO _x /kWh)	0.15	0.26	0.11
Particulates (g particles/kWh)	0.28	0.04	0
Total ENDESA			
SO ₂ (gSO ₂ /kWh)	1.33	1.33	0.69
NO _x (gNO _x /kWh)	1.72	1.72	0.88
Particulates (g particles/kWh)	0.07	0.07	0.03

Data for 2013 for other countries refer exclusively to Morocco

6.1.2.1. Emissions of ozone-depleting substances

In Spain and Portugal, 2.7 tonnes of CFC-11 equivalent were emitted, broken down as follows: 0.047 tonnes of HCFC (0.0024 tonnes of CFC-11 equivalent), 0.022 tonnes of halon (0.33 tonnes of CFC-11 equivalent), 1.72 tonnes of R22 (1.72 tonnes of CFC-11 equivalent) and 2.79 tonnes of Freon (2.23 tonnes of CFC-11 equivalent).

No ozone-depleting substances were emitted in Morocco.

In Latin America, 2.57 tonnes were emitted, broken down as follows: 0.99 tonnes of CFC, 0.52 tonnes of HCFC, 1.00 tonnes of R22 and 0.06 tonnes of Freon. This amounts to 1.13 tonnes of HCFC-11 equivalent. These emissions are mostly due to leakages in HVAC equipment. To remedy the situation, efforts are being made to replace these gases with other non-CFC gases. A case in point is Endesa Chile.

ited in specially adapted installations located at El Cabril (Córdoba).

- **Waste generated by distribution activities** principally consisting of transformers, oil/PCB-contaminated batteries and mineral oil from substations, as well as non-hazardous waste such as scrap metal and cardboard.
- **Mining-related waste.**

Waste-reduction measures focus on reusing oil, removing transformers contaminated with PCB (polychlorophenols), gradually removing components containing asbestos, recovering inert waste, and treating cleaning solvents for reuse.

A significant portion of the waste recovered by ENDESA is at its external facilities, representing 11.48% of its total non-hazardous and 74.27% of its hazardous waste recovered.

6.2. Waste management and reduction

ENDESA has waste management and reduction systems in place, which are continually reviewed in order to identify ways to make improvements and implement them.

The main waste materials generated by ENDESA's activities are:

- **Gypsum, ash and slag** from the thermal and coal-fired units. A large part of this waste is sold as a by-product or reused at the same facility in restoration work.
- **Waste from the reservoirs** associated with hydroelectric plants, comprising sediment deposited as a result of the reduced speed and volume of the river flow. This waste must be removed on a regular basis.
- **Low- and medium-intensity radioactive waste from ENDESA's nuclear plants** managed by Enresa and depos-

6.2.1. Spain and Portugal

Waste production increased sharply in 2013 due to dismantling at certain facilities. Specifically, the amount of non-hazardous waste produced doubled (excluding waste from coal-fired plants) and that of hazardous waste by 26%. Recovery of non-hazardous waste stood at 70.3% (excluding waste from coal-fired plants) and the recovery of hazardous waste at 35.9%.

6.2.2. Latin America

The amount of non-hazardous waste produced was higher in 2013 than the year before. The increase was caused by the start-up of Bocamina II (Chile), which contributed more than 80,000 tonnes of slag and ash. Also contributing were 18,525 tonnes of gypsum from desulphurisation at the Bocamina II plant and 17,700 tonnes of sludge from dredging by Costanera in Argentina.

Waste at ENDESA in 2013 (tonnes)

	Hazardous waste (HW)		Non-hazardous waste (NHW)	
	Produced	Recovered	Produced	Recovered
Spain and Portugal				
Thermal powers units (TPU)	11,758.67	2,976.72	56,591.71	31,811.69
Hydro power units (HPU)	544.54	490.87	4,162.67	388.07
Mining	48.50	19.88	26,496.95	26,316.61
Nuclear	574.27	127.07	4,316.75	2,768.98
Distribution	4,174.81	2,519.84	37,342.32	28,972.61
Port terminals	10.13	5.40	1,052.23	1,038.57
Latin America				
Thermal powers units (TPU)	1,250.32	19.58	255,686.71	141,875.9
Hydro power units (HPU)	121.40	31.55	1,353.29	176.79
Renewables	3.691	0.0	0.0	0.0
Distribution	1,922.1	1,915.11	148,909.24	46,577.53
Other countries*				
Thermal powers units (TPU)	25.00	25.00	17.00	0

*Data for 2013 for other countries refer exclusively to Morocco

In distribution, a total of 148,909 tonnes of non-hazardous waste were produced in 2013, slightly lower than the year before. The main contributors were materials from construction and demolition by Chilectra (Chile), Codensa (Colombia) and Edelnor (Peru). Combined, these three distribution companies produced 113,215 tonnes of this type of non-hazardous waste during the year.

The amount of hazardous waste produced was lower in 2013 despite a slight increase in thermal production, thanks to the reduction in distribution. In all, the total fell from 21,540 tonnes in 2012 to 3,338 tonnes in 2013.

Recovered waste is considered to be waste delivered to an authorised waste manager to undergo recovery by this company. The table above does not include waste from coal-fired production (ash, slag and gypsum). Data for this type of waste are shown in a separate table.

In 2013, 288,032 tonnes of used material were recovered: 97,436.30 tonnes in Spain and Portugal and 190,596 in Latin America.

As regards the recovery of non-hazardous waste in Latin America, Termozipa in Colombia recovered 140,557 tonnes of ash. In generation (thermal and hydro), an additional 1,495 tonnes of waste (approx.) were recovered, mainly scrap metal. Distribution companies recovered 46,578 tonnes of non-hazardous waste, mostly obsolete equipment and machinery, and cables.

A total of 1,966 tonnes of hazardous waste were recovered in Latin America, above all oil, but also used batteries and obsolete machinery.

6.3. Recovery of residual ash and slag

ENDESA recovers the residual ash and slag produced at its coal-fired power stations, which are mostly located on the Iberian Peninsula, for use as a raw material in other industrial processes.

Production and management of ash, slag and gypsum at ENDESA's coal-fired plants (Spain and Portugal)

	2011	2012	2013
Ash (t/year)			
Produced	1,848,842	1,828,138	1,226,778
Recovered	861,806	540,525	554,707
Restored	0	0	0
Landfill	961,827	1,294,369	672,071
Slag (t/year)			
Produced	253,436	214,895	174,023
Recovered	94,756	67,864	25,687
Restored	0	4,070	0
Reused	2,473	—	0
Landfill	156,207	142,992	148,336
Gypsum (t/year)			
Produced	1,428,295	1,180,788	809,158
Recovered	88,956	73,271	40,893
Landfill	1,333,297	1,102,556	768,265

Production and management of gypsum, ash and slag at ENDESA's coal-fired plants in Latin America

	2011	2012	2013
Produced (thousand t/year)	101	103.6	376.5

The sharp increase in the production of ash, slag and gypsum was due to two factors, the second of which is related to the first: 1) increased output for coal-fired plants, which virtually doubled from the year before, and 2) the commissioning in December 2012 of the Bocamina II plant, which as it has desulphurisation, also produces gypsum (18,525 tonnes).

In 2013, a total of 148,899 tonnes of ash were recovered at the Termozipa plant in Colombia.

7. Biodiversity conservation

ENDESA has a Biodiversity Conservation Plan, which consolidates the Company's long trajectory in this direction. The structure of the Plan was drawn up in 2012 and in 2013 a start was made on putting it into practice, attaining a high level of efficiency and considerable success with the first milestones of the project.

The Biodiversity Conservation Plan ushers in a structure for the selection and assessment on scientific, corporate and applied criteria of all initiatives collected internally and externally for the conservation of biodiversity. Each initiative is then defined and classified for the Plan, in accordance with the accompanying matrix, and then placed in the database to be monitored until the project has been completed.

Regarding this Plan, the main lines of actions drawn up in 2012 will be maintained:

- Adapting the physical environment of the Company's land and facilities and encouraging biodiversity in a manner that is biologically and geographically compliant

- Managing environmental factors at our facilities to help improve the habitat of certain species or their biotopes
- Recognising ENDESA's natural heritage and the ecosystems this is home to, their value and state of conservation
- Protecting native species in and around ENDESA's plants and controlling invasive species that have a high ecological and business impact on ENDESA's business

In 2013, 31 biodiversity conservation initiatives were carried out, of which 18 entailed new projects and 13 related to projects of previous years. Seven initiatives were completed and another 24 will continue in 2014. By area of action, 10 projects were carried out in relation to the protection of bird-life, 16 on aquatic ecosystems (four of which focused on the study of exotic invasive species), and five were on habitats or use of area.

Classification matrix of actions and initiatives of the Enel Group's Biodiversity Conservation Plan, by scope of action and application			Scope of application (Biodiversity components)			
			Spaces		Species	
			Use and infrastructure management	Habitat management	Indigenous	Invasive exotics
			Adaptation of infrastructure or use of space to a region's natural vocation and environmental possibilities (A)	Management or handling of characteristics of the habitat to protect, restore or develop populations of target species (B)	Direct measures to protect target indigenous species (C)	Measures to control and/or eradicate species that threaten biodiversity (D)
Scope of action	Own facilities (1)	Integration of own facilities into local environment and minimisation of environmental impacts	A1	B1	C1	D1
	Areas of influence (2)	Integration of own facilities into the environment from a wide geographical, environmental and social perspective	A2	B2	C2	D2
	Research projects (3)	Scientific-technical projects aimed at understanding, protecting and unlocking the value of biodiversity	A3	B3	C3	(D3)
	Socio-environmental projects (4)	Reinforcement and promotion of social values linked to the environment and natural resources	A4	B4	C4	D4
	Flagship projects (5)	One-off projects to study biodiversity according to location and goals	A5	B5	C5	D5

7.1. Key actions

The key actions carried out as part of the Biodiversity Conservation Programme in 2013 were as follows:

7.1.1. Studies and research

Research work forms part of ENDESA's Biodiversity Conservation Plan. As part of these studies, the Company continued to conduct research on the zebra mussel.

A publication was presented on the zebra mussel's preference of the Ebro river as a physical habitat, downstream from the Mequinenza, Riba-roja and Flix reservoir system, the first of its species in Spain.

Studies on steppe lakes and their crustacean populations carried out in Spain and Mongolia continued, adding new water masses studied to the database and new species for science. The purpose of the study is to establish pristine benchmark conditions for Iberian steppe lakes and increase knowledge of biodiversity. In 2013, within the framework of this study, a new species was described: *Phallocryptus tserensodnomi*, a small anostraca crustacean, bringing the total of new species for science described since 2008 to four.

Work was completed on the study of the effects of rapid flow changes (hydropoints) that hydroelectric plants exert on downstream stretches of river, in order to identify the real effects of hydroelectric management of rivers. The wealth of information compiled is currently being processed and will be disseminated in 2014 and 2015. The findings can lead to the design of criteria for environmental improvement in the operation of ENDESA's hydro plants.

In the lower stretches of the Ebro river, in the province of Tarragona, controlled swells from the Mequinenza, Riba-roja and Flix reservoir system were again applied in 20013 to allow the river ecosystem and flows to regenerate, thereby curbing the massive development of macrophytes.

The fluvial connectivity study opened a new line of research of particular interest for ENDESA in 2013, with

three areas of work underway: the study of trout mobility through radio monitoring in upper sections of regulated rivers in the Pyrenees; the genetic analysis of existing populations; and the physiological study of patterns of behaviour regarding use of their habitat. This research project is being carried out jointly between ENDESA and Lleida University.

One outstanding biodiversity conservation project undertaken in 2013 was the study of bat populations at ENDESA's hydro plants in Catalonia and associated constructions. A still relatively unknown species, bats are excellent ecosystem health indicators, while they also help to control agricultural and forest pests.

7.1.2. Publications

ENDESA continued to promote the dissemination and awareness-raising on biodiversity in 2013 through active participation in technical and scientific forums, as well as the publication of its research.

ENDESA published the sixth and seventh individual research pieces in the collection; the sixth on fluvial connectivity and the seventh on Huinay Foundation lakes.

Tome 1 of ENDESA's "The Challenge of Conserving Biodiversity" collection was unveiled at the National Museum of Natural Science (Madrid) to present the Company's plans and programmes, and to exhibit the research conducted at Huynai Foundation (Chile) and the restoration project for the former As Pontes mine waste dump (La Coruña). A report on the As Pontes project entitled "Restoration of the As Pontes Mine: a Biodiversity Paradigm" was published, for which ENDESA won the Fondena Award.

Two articles were published in high impact scientific journals, one on the new species of anostraca crustacean described in Mongolia and one on the habitat preferences of the zebra mussel.

ENDESA took part in a number of national and international conferences and seminars in 2013.

7.1.3. Training

ENDESA continued to provide internal training in 2013 at its thermal plants (Andorra de Teruel and As Pontes) and began preparing training content for Endesa Distribución, S.A. facilities and personnel.

7.1.4. Biodiversity conservation. Other initiatives

Andalusia

In Andalusia, 2013 marked the end of ENDESA's participation as co-funding partner of the LIFE08NAT/E/000068 Project, "Conservation and Management of Special Areas for Steppe Birds of Andalusia". The Company continued to work in collaboration with the University of Granada on the "Pylons for electricity, pylons for biodiversity" project to install nesting boxes in high-voltage pylons and to adapt power transformers to encourage nesting.

Alongside Gypaetus Foundation, research was conducted on use of the territory by the bearded vulture in the Sierra de Cazorla area.

In the Huelva province, work continued on the project to re-introduce the osprey, while in the Cadiz province, the Company continued to collaborate with the imperial eagle project.

Together with the Migres Foundation, research began on the impact of light pollution on invertebrates living near the electricity production and transformation facilities. With Seville University, work began on developing the marine micro-reserves associated with ENDESA's coastal and port facilities.

Aragon

In Aragon, various measures to protect birdlife have been implemented on power lines since 2010.

Castile-Leon

With the collaboration of the Oso Pardo Foundation, preliminary work was carried out to set up animal crossings over hydroelectric canals.

Balearic Islands

In the Balearic Islands, work continued on the "Avilínia Project" in 2013. This project began in 2004 after an agreement was reached between ENDESA and the Ministry of Agriculture, the Environment and Regional Planning "to coordinate environmental actions stemming from electricity distribution and birdlife protection". Also during the year, ENDESA took part in the Life Bonelli project (2013 – 2017) financed by the European Union. The objective of the project is to increase the number of Bonelli's eagles in areas at risk in Alava, Madrid and Navarre, and re-introduce them in Majorca.

Catalonia

In Catalonia, ENDESA, in collaboration with l'Institut Català per la Conservació dels Rapinyaires, ICRA (Catalan Institute for the conservation of birds of prey) and the Environmental Department of the regional government of Catalonia, continued its study on the behaviour of the Bonelli's eagle, a topic already also researched together with the University of Barcelona.

Measures were also adopted in ENDESA's distribution areas to support another singular species, the black vulture (*Aegypius monachus*), as well as other large birds of prey such as the griffon vulture, the bearded vulture, and the Egyptian vulture.

At Aigüestortes i Estany de Sant Maurici national park, limnological monitoring was carried out in 2013 of the partial demolition of a small weir (Font Grossa, on the Peguera river in Lleida) to analyse the impact of the construction downstream on the water's physical-chemical quality, the flow structure and the aquatic invertebrate community.

On the Ter river, environmental improvement work was carried out in conjunction with the Ter local government on the riverbank in certain sections of the river.

Meanwhile, during the year ENDESA Distribución Eléctrica signed an agreement with the Parque Natural de la Cordillera Litoral (Barcelona) to adapt the distribution network surrounding this nature park, which is a resting place for migrating birds.

Canary Islands

In the Canary Islands, 120 anti-collision markers were installed along two kilometres of power line, while as part of the agreement signed in 2010 with the Spanish Ornithology

ENDESA wins business innovation award for restoration of the As Pontes mine

In 2013, ENDESA won the Best Corporate Social Responsibility Project award for the renovation work carried out on the mining space in As Pontes (Galicia) at the sixth annual Business Innovation Awards. These awards are held annually by the economic and financial newspaper, *Cinco Días*.

José Bogas, ENDESA General Manager for Spain and Portugal, received the award at a ceremony held at the Caixa Forum auditorium in Madrid. Before the awards were handed out, a video on the As Pontes project was shown, highlighting that after the closure of the mine, the hole left from the excavation was transformed into Spain's largest lake, with a depth of 206 metres and a shoreline of 18 km. To regenerate the surrounding area, some 600,000 trees and 120,000 Kg of seeds were planted.



Society SEO-BIRDLIFE, the efficiency of this measure was monitored in Lanzarote and Fuerteventura.

Galicia

As part of the As Pontes mine restoration project, which is near completion, preliminary inventories of the natural communities of the As Pontes lake were carried out, with water level now stabilised at its normal maximum level. Inventories were taken of lake and riverbank vegetation, and censuses were taken of birdlife, aquatic and riverbank life, zooplankton and fish. It is too early to define stable natural communities, although preliminary findings indicate, with little margin of error, that considerable levels of biodiversity can be achieved in the lake and its surroundings, with more than 75 species of birds (between aquatic and seabirds), including sedentary, nesting or wintering birds.

7.1.5. Environmental restoration

Further to ENDESA's interesting and successful experience in environmental restoration work on the recently closed ash and slag waste dump at the Company's Litoral thermal plant in Carboneras (Almeria), an ecological monitoring study began on the dump to assess, via bio-indicators, trends in the structure and functioning of the restored semi-arid habitats. The study was conducted by the Conservation Biology Group of Almeria University.

7.2. Key actions in Latin America

In Latin America, further progress was made on instilling a biodiversity conservation culture, with all institutions set up for this purpose remaining active, e.g. the Biodiversity Committee, in which all ENDESA companies in Latin America participate.

Chile (San Ignacio del Huinay Foundation)

I. Scientific work

2013 was a highly productive year for the San Ignacio del Huinay Foundation, whose mission is to contribute to the

knowledge and conservation of the Chilean Patagonian fjords.

A total of 23 articles were published in leading international scientific journals, more than double the number in 2012.

The number of presentations given at congresses throughout the world also increased considerably. The Foundation's science team gave a total of 28 exhibitions designed to raise awareness about the characteristics of the Chilean North Patagonia's rich biodiversity.

More scientists from Chile and other parts of the world visited the Huinay Scientific Field Station than ever before. In all, 90 researchers stayed at Huinay, the largest number of visits since the centre was opened in 2001.

The agreement signed in 2011 with the Spanish National Research Council (CSIC), the Endesa Foundation - Spain and the San Ignacio del Huinay Foundation had a strong impact in this respect. Designed to carry out research on the existing biodiversity of the Chilean Patagonian fjords from a basic scientific viewpoint and in the search of sustainable solutions to the development of the local communities, the agreement led to funding of 10 visits to Huinay by eminent Spanish scientists.

In October 2013, as part of the process for renewing the agreement for 2014, scientists who benefited in previous years released the preliminary findings in their research in Madrid, with all noting the magnificent opportunity given to them to learn about one of the most pristine areas on Earth, which retains unmatched natural resources.

Also worth noting are the scientific expeditions made to different areas of the Patagonia, which led to considerable progress in the Identification and Georeferencing of Species for the Development of a Protected Areas Proposal project. Under the framework of this project, which has backing by Pew Charitable Trust, a first preliminary analysis using MARXAN software for a proposal of high conservation priority areas in

the Chilean Patagonia was conducted. Work in this respect is in the advanced stage, with the final outcome expected for 2014.

II. Conservation projects

a) Protected marine area in the Comau fjord

In 2010, the Chilean government, at the request of the Huinay Foundation, declared a 75 metre-wide strip of area all along the coast of the Huinay fundo as a multi-use marine and coastal protected area (MPA). Since then, the Foundation, in conjunction with the Hualaihué municipal government, has extended the MPA to the entire Comau Fjord.

To do so, the issue was addressed at a special meeting of the Local Coastal Commission (Comisión de Borde Costero), comprising social representatives of the commune. The Huinay Foundation plays an active role in the Commission as technical advisor. In August, the Commission resolved, almost unanimously, to ask the Environmental Ministry to declare the Comau Fjord a multi-use MPA, which would ensure the sustainable development of the territory.

b) Ecological restoration project for the Huinay forests

One of the major achievements in 2013 was the start of the pilot project for the ecological restoration of the Huinay forests.

The project began in 2008, when the Foundation began running a nursery to expand native tree species (e.g. larch, ulmo, pilgerodenron). The overriding objective of the initial phase was to learn about and employ healthy seed-based plant production and, to a lesser extent, use timber stakes from trees that grow in Huinay or nearby, so that genetically they are classified as local. The nursery currently has 30,000 plants representing 37 indigenous Chilean species in total.

The aim was to use the nursery's production to replenish areas of the Huinay Reserve deforested by human activity. The Ecological Restoration project kicked off in July 2013 with the planting of the first 1,000 trees and the thinning of bushes to help the partial spontaneous recolonisation with native trees, achieving a survival rate of over 90% after six months.

After this first, successful step, the restoration programme aims to gradually contribute to the recovery of the Huinay's native forest.

III. Community support and dissemination among stakeholders

Support of the local community is another key line of action for the Foundation. On this front, the Foundation continued to support the relocation of the fjord colonies to the nearest town, Hornopirén. Work also continued on providing electricity to Huinay and internet for the local school. This assistance was highly appreciated by the people living in isolation. In addition, the Foundation helped organise four rounds of medical checkups for the colonists. Meanwhile, students from the Sagrada Familia de Hornopirén school visited the Huinay Scientific Field Station, where they learned more about the natural wealth of their territory.

To promote the Foundation's activities, emphasis in 2013 was placed on contacting national authorities and opinion leaders and teaching them about the bio-geographical wealth of Huinay and surrounding areas. As a result, visits were made to Huinay by leading authorities, such as the Minister for the Environment and the Chairman of the Senate Environmental Committee, and renowned journalists in national media.

In addition, a social network platform on Huinay was created. Through its Twitter, Facebook and Instagram accounts, daily news on Huinay and scientific research there is provided to thousands of followers.

Brazil

In 2013, the reforestation project continued in the area around Cachoeira Dourada, as per the terms of the plant's environmental permit. The ongoing effort is important given the scant surface area of the gallery forest (ata ciliar) in the area. To illustrate, along the embankments formed by the Paranaíba river dam, there are currently fewer than 140 hectares of woodland, once a feature of a broad region of Brazil.

The purpose of the project is to reforest, with native species, 100 ha in five years, with a density of 1,666 trees/ha. As the land is privately owned, Cachoeira will need to reach agreements with the owners to plant the trees.

Peru

Studies on the Chimay plant's area of influence continued in 2013. Nearly 270 plant species were identified, indicating that the area studied is ecologically healthy. Moreover, no endemic or endangered species were observed.

Regarding birdlife, 124 species, 36 families and 16 orders of birds were registered during the surveys in the area of the Chimay hydro plant's reservoir. Of the reservoir's 124 species registered, only 26 were protected by some national and international conservation category and none were included in the Red Book of Protected Species for Peru. Seven species of reptiles belonging to five families and two orders were described.

As for the Curibamba project, the study on the cock-of-the-rock (*Pervuain Rupicola*, sp.) and its habitat began.

Forestation at the Callahuanca Plant: At the Company's own initiative, forestation began on the slope bordering the Callahuanca hydro plant. When the project started, specialist private firms carried out the forestation and oversaw the maintenance. In 2006, Edegel and the Chauca Callahuanca

community signed a pact whereby the community took over maintenance of the 16.4 hectares. The efforts continued in 2013, thanks to the financial support provided by Edegel, and new jobs were created within the community.

Forestation at the Malacas Plant: In line with the environmental commitments set out in Eepsa's EIA, maintenance work continued in 2013 on the 17 hectares of land forested with native trees and the 3 hectares of fruit trees. The expected benefits relate to mitigating the emission of combustion gases, achieving biologically stable slopes, controlling soil erosion and improving the micro-climate.

Colombia

In 2013, the administration, surveillance and implementation service was contracted for ENDESA's forestry and ecological recovery plan. The aim of this project is to centralise and strengthen all reforestation projects carried out to offset the impact of resource consumption. The initiative won the BIBO business award, placing third in the "Woods" category.

In addition, in compliance with the Muña Quarry Environmental Management, Recovery and Restoration Plan, the restoration process consisting of replanting slopes on a 3.8 hectare area and the construction of 2,140 metres of drainage infrastructure has moved forward. The construction material used to adapt the dikes of the Muña reservoir, which holds waters used in electricity generation in the Pagua chain, came from the Muña Quarry.

In 2013, the first stage of the "Muña reservoir birdlife study" was completed.

At the Cartagena Plant, the second phase of the biodiversity project at the lagoon located at the plant was developed under an agreement with the Institute of Science at the National University of Colombia. The aim of this phase is to assess the biological connectivity of the ecosystem and update the inventory of plant and animal life. The results of this analysis indicate that the area occupied by the plant plays a pivotal role as a resting place for widely-mobile species, such as birds (migratory and resident) and flying mammals, and acts as a safe-haven for all registered types of land creatures. However, it is extremely difficult to assess whether the examples found can survive only in the area occupied by the plant. For this reason, it is important to protect the largest possible natural area.

At the Betania plant and as part of the programme to repopulate the reservoir with fish, 360,000 fry of native species were released in the Magdalena river (56,000 bocachicos and 104,000 gilthead bream). Additionally, during the migration period, 303,000 fish were transferred from the Magdalena river downriver from the dam to the Betania reservoir. An agreement with the Humedales Foundation was entered into to assess the impact of this repopulation initiative, which will conclude in 2013.

7.3. Adjacent land, or land located in natural protected areas

In 2013, ENDESA had 724.87 km² of adjacent land or land located in protected natural areas or unprotected, highly biodiverse areas: 724.43 km² in Latin America and 0.44 km² in Morocco.

In Latin America, the largest areas are in Chile (649.2 km²) and Colombia (77.14 km²). In Brazil, it has 4.09 km², and 3.75 km² in both Argentina and Peru.





Innovation

Commitment to
efficiency

220 R&D and innovation projects implemented in **2013**

Euro 40 million of direct investment in R&D and innovation projects in 2013

21 new patents for proprietary technology solutions in last 4 years

4.2 million smart meters installed through 2013

ENDESA aims to be a standard-bearer in technology and innovation. Accordingly, the Company has a portfolio of R&D projects in all its lines of business.

Innovation is present throughout the Company's activity. The 2013-2017 Innovation Technology Plan, an integral part of the 2013-2017 Sustainability Plan, provides the structure for ENDESA's commitment to innovation. In 2013, ENDESA's direct expenditure on R&D and innovation totalled Euro 40 million, invested through 220 projects.

Priority issues - 2013 materiality study	ENDESA's response in the report
Position on the development of investments in less polluting energy sources and distributed generation.	Chapter on Innovation: 2. Technology leadership model 3.3. Technology projects for improved efficiency in electricity generation. Chapter on Climate Change: 1.1 Active participation in developing renewable energies.
Outlook for the development of smart grids and smart cities.	Chapter on Innovation: 3.1.1. Telecommunications/smart grids.
Innovative solutions for customers (energy efficiency, IT solutions, green products, etc.).	Chapter on Our customers: Efficient ENDESA products and services Chapter on Innovation: 2.1. Energy efficiency Telecommunications/smart grids.
Electric vehicle.	Chapter on Chapter on the climate change challenge: 1.4. Leadership in sustainable transport: promoting electric vehicles.
Investments in R&D and innovation.	Chapter on Innovation: 1. R&D and innovation – in search of cleaner energy.
Efficiency in generation (programmes underway, reporting KPIs, etc.)	Chapter on Innovation: 1.2. Efficiency in thermal power plants. 3.3. Technology projects for improved efficiency in electricity generation.

Challenges in 2013	Actions taken
To continue remote operations and readings for the mass billing of smart meters	The mass rollout continued in 2013, with around 100,000 meters being installed a month, putting the total number of smart meters installed since the start of the project at 4.2 million. Over 3 million smart meters are now controlled by ENDESA's remote management system with over 1.5 million being added in 2013.
To optimise the return on state aid and tax benefits.	Optimisation of the return on state aid and tax benefits.
To take part in the ENEL Group's Technology Mapping and Innovation Plan, maximising synergies and optimising resources.	All the information requested by Enel to prepare the Innovation Plan has been supplied. The Annual Report was completed and presented.
To develop Employee Idea Drives via the Eidos Market platform.	Corporate campaign and local campaign launched with over 400 ideas received.
To continue to implement the ENEL Labs project to promote technology start-ups in the sphere of sustainable energy.	First edition successfully concluded with 6 winning start-ups.

Key figures 2010-2013				
	2010	2011	2012	2013
Direct investment in R&D and innovation (Euro million)	48	41	84	40
Percentage reduction of ENDESA emissions (g/KWh)	6	6	5	4
Efficiency of thermal power plants in Spain and Portugal (%)	39.6%	39.3%	39.68%	39.20%
Efficiency of thermal power plants in Latin America	46.50%	39.8%	45.44%	45.62%

In 2014 we propose
To continue remote operations and readings for the mass billing of smart meters
To take part in the ENEL Group's Technology Mapping and Innovation Plan, maximising synergies and optimising resources.
To develop employee idea drives via Eidos Market across the Enel Group.
To promote technological agreements to foster new energy technologies aimed at the end consumer.

1. R&D and innovation – in search of cleaner energy

One of ENDESA's main priorities is to apply the processes of research, development and innovation to its activities. Thus, it is coordinating with Enel to develop cleaner energy in areas of shared interest and in the countries where they operate.

1.1. Fuel consumption

ENDESA is the leading Spanish electric utility and the biggest private electricity multinational in Latin America. Throughout 2013 it integrated energy efficiency criteria into its corporate strategy, whereby this is now present in all its business processes and in planning and decision-making. Throughout the year the Company pursued a two-pronged Energy Efficiency strategy covering all the areas where ENDESA is present: as both a power consumer and supplier.

As a power consumer ENDESA continues to implement efficiency criteria in all its activities and assets, ranging from generation and distribution to our work centres.

Of the various measures taken this year we would highlight ENDESA's efforts to reduce electricity consumption and the subsequent reduction in CO₂ emissions at our buildings, resulting in AENOR certification being awarded for our Energy Efficiency System (ISO 14001) at 18 of our offices in Spain. Likewise, six of these offices were also granted certification for Internal Air Quality (UNE 171330-3) in recognition of their commitment to protecting the environment. ENDESA's new headquarters in Catalonia received an "A" energy efficiency certificate rating, the highest available, from the regional government's Catalan Energy Institute. *For further information, see the chapter on Commitment to protecting the environment, section 5.1. Certification of environmental management systems (pg. 148).*

The Generation business, in both Spain and Portugal and Latin America, has implemented various projects to reduce energy and auxiliary consumption at its plants. Specifically it is rolling out Energy Management Systems as an integral part of existing management systems, which consider energy performance to be a relevant part of the production process, as well as constantly seeking opportunities to optimise and improve energy usage and management inside the plant. In May 2012, Endesa Chile's Quintero thermoelectric plant was the first electricity company in Latin America to introduce an Energy Management System (EMS), based on the international ISO 50001 standard, establishing the requirements needed by an EMS to carry out ongoing energy efficiency improvements, and the first of the Enel Group's plants to receive this certification. In 2013, and based on its experience, Endesa Chile published a manual on implementing the ISO 50001 standard which can be used by Endesa Chile's other generation plants.

The Quintero thermoelectric plant is the first electricity company in Latin America to introduce an Energy Management System, based on the international standard ISO 50001

As an energy supplier, ENDESA works to offer its customers solutions that help them with responsible energy use, not only by making available a professional and expert range of efficient equipment but also through new business models for Endesa Energía products intended for end customers.

The Company supplied 10.63 million tonnes of coal in 2013 a year-on-year drop of 23.53%. In terms of liquid fuel, the

Company managed 1.3 million tonnes of fuel oil and 0.7 million tonnes of gas oil in the year, 8.8% and 15% less than in 2012, respectively, due to lower growth in electricity demand in the non-mainland systems, and, to a lesser extent, the commissioning of the electricity interconnection between the mainland and the Balearic Islands. Over the same period, it supplied 3 million tonnes of coal to third parties, 49% less than in 2012.

Utilisation of thermal plants was low in 2013 in Spain and Portugal, largely due to lower demand, higher use of renewables and high rainfall. Output from all technologies declined in 2013, apart from hydro production which saw output double. Despite these conditions, ENDESA was very active in the financial and physical wholesale markets.

In Spain and Portugal the Company supplied 8.8 million tonnes of coal in 2013 a year-on-year decline of 33.2%. In terms of liquid fuel, the Company managed 1.3 million tonnes of fuel oil and 0.7 million tonnes of gas oil in the year, 8.8% and 15% less than in 2012, respectively, due to lower growth in electricity demand in the non-mainland systems, and, to a lesser extent, the commissioning of the electricity interconnection between the mainland and the Balearic Islands. Over the same period, it supplied 3 million tonnes of coal to third parties, 49% less than in 2012. Lastly, the Company handled 4 million m³ of gas.

Fuel supplied to ENDESA in Spain and Portugal, including own production

Type of fuel	2011	2012	2013	% change 2013-2012
Spanish coal (thousands of tonnes)	4,724	3,487	1,673	-53.3
Imported coal (thousands of tonnes)	8,504	9,390	7,108	-24.3
Petroleum coke (thousands of tonnes)	213	353	51	-85.5
Liquid fuels (thousands of tonnes)	2,395	2,293	2,039	-5.7
Natural gas biofuel (millions of m ³)	1,402	1,320	594	-55
Natural gas in CCGT (millions of m ³)	3,830	4,593	4,002	-12.9

Total fuel consumption in Latin America rose 14% compared to 2012, with fuel oil and gas oil rising slightly.

Fuel consumption in Latin America

Type of fuel	2011	2012	2013
Coal (thousands of tonnes)	852	1,024	1,857
Fuel oil (thousands of tonnes)	550	572	581
Gas oil (thousands of tonnes)	398	231	513
Natural gas (millions of m ³)	4,956	4,803	4,608

ENDESA uses other resources that are necessary in production. Total consumption in 2013 was 419 kilotonnes, 28% less than in 2012 (583 kilotonnes).

Resources used (tonnes)

	Spain and Portugal		Latin America		Other countries	
	2012	2013	2012	2013	2012	2013
Lime	453.03	426.83	0.06	0.602	0	0
Iron chloride	369.49	439.47	9.51	13.97	0	0
Ammonia	989.15	849.87	15.35	15.18	1.28	1.70
Caustic soda	880.01	900.31	1,957.49	2,439.61	0	0
Sulphuric acid and chlorhydric acid	1,893.12	1,759.74	3,596.75	3,971.90	3.71	3
Sodium hypochlorite	446.90	501.79	2,932.45	3,599.45	2.37	0.94
Chlorine dioxide	0	152.78	0	0	0	0
Ferrous chloride	0	0	0	0	0	0
Magnesium oxide	181.20	212.24	0	0	0	0
Limestone used for combustion-gas desulphurisation	555,352.55	389,378.35		6,100.93	0	0
Lubricating oil	4,807.69	4,973.83	120.38	167.67	0	0
Dielectric oil	15.25	103.08	7.03	11.73	0	0
Other*	730.06	3,122.18	192.95	85.65	5.35	20
Total	573,576.31	402,820.47	8,832.02	16,406	12.71	25.64

* Includes rarely used chemical compounds.

1.2. Electricity consumption

In 2013 primary energy consumption from all sources declined at the Company's plants in Spain and Portugal due to lower output as a result of a sharp decline in electricity consumption among consumers.

The consumption of coal rose considerably in Latin America in 2013 following the commissioning of Bocamina II in Chile

and increased activity at Termozipa in Colombia. The use of gas oil rose sharply in Argentina, Chile and Peru, putting the total year-on-year increase at 61%. Overall consumption in Latin America was up nearly 10%.

In Colombia the Company introduced a scheme whereby its employees are encouraged to use electric bicycles to help reduce indirect electricity consumption, resulting in a decline of 7.9 tonnes of CO₂ for 51,979 km travelled.

*Electricity consumption (GJ)

	Spain		LATAM		Total by consumption source.	
	2012	2013	2012	2013	2012	2013
Thermal power unit	9,259,200.0	7,128,154.8				
Hydroelectric power unit	426,240.0	470,574.0				
Hydroelectric pumping stations	5,033,537.6	5,064,086.8	347,399.5	425,354.0	5,380,937.0	5,489,440.8
Nuclear power	4,323,600.0	3,950,665.2				3,950,665.2
Mining operations	27,966.4	24,573.5	–		27,966.4	24,573.5
Port facilities	28,771.5	25,091.4	–		28,771.5	25,091.4
Office buildings	101,793.5	116,084.5	174,999.2	184,628.2	276,792.7	300,712.7
Total by area and ENDESA	19,201,109.0	16,779,230.2	522,398.7	609,982.2	5,714,467.7	17,389,212.4

* GJ: Gigajoules.

Direct energy consumption by primary energy source (TJ)*

Type of fuel	Spain and Portugal		Latin America	
	2012	2013	2012	2013
Coal	361,434	220,890	9,847	16,101
Fuel oil	115,124	55,357	7,271	7,550
Oil coke	10,937	0	n/a	n/a
Gas oil	10,001	31,725	4,344	11,126
Natural gas	389,242	27,379	79,082	76,605
ENDESA's total consumption (TJ)	886,738	335,351	886,738	111,382

*TJ: Terajoules

Indirect electricity consumption for the Company's vehicle fleets in Colombia, Peru and Spain were : 11 TJ, 4.6 TJ and 16,230.75 TJ respectively.

In Peru, consumption of energy-intensive materials was 8,151.24 GJ, for business trips it was 1,653.79 GJ and for employee travel to and from work this totalled 2,249.55 GJ.

In 2013, ENDESA reported 18.9% energy savings due to the efficiency-improvement programmes and the supply of more efficient services. The Company slashed energy consumption to 2,842,208 GJ, compared with 3,504,169 GJ in 2012.

Indirect energy consumption at own facilities (TJ)*

Type of fuel	Spain and Portugal		Latin America	
	2012	2013	2012	2013
Mining operations	27.9	24.57	n/a	n/a
Port facilities	28.7	25.09	n/a	n/a
Office buildings	101.8	116.08	174.9	184.6
Distribution networks	n/a	n/a	359.1	354.2
Total consumption	158.4	165.75	174.9	538.8

TJ: Terajoules

Energy savings due to energy efficiency and improvements

Type of fuel	Unit	Spain and Portugal		Latin America		ENDESA	
		2012	2013	2012	2013	2012	2013
Redesign of processes	GJ	2,215.50	379.5	122,137.20	0	124,352.70	379.5
Conservation and equipment adaptations	GJ	86.18	6,361.80	3,379,460	2,835,467	3,379,546.18	2,841,828.8
Changes in employee behaviour	GJ	0	0	270.936	0	270.936	0
Liquid fuels (thousands of tonnes)	GJ	0	0	0	0	0	0
Efficient or renewable energy-based products and services	GJ	0	0	0	0	0	0
Total	GJ	2,301.70	6,741.30	3,501,868.14	2,835,467	3,504,169.84	2,842,208.30

1.3. Efficiency in thermal power plants

The energy efficiency ENDESA achieves using the natural resources at its disposal is key for the Company's generation business.

Energy efficiency at ENDESA's thermal plants (%)

	2011	2012	2013
Spain and Portugal	39.30	39.68	39.20
Latin America	46.26	45.44	45.62

Consequently, energy efficiency at its plants in Spain and Portugal in 2013 was 39.20%, a slight decline on the 2012 figure of 39.68%, largely due to the low and discontinued operation of combined cycle plants.

Efficiency at thermal power plants in Spain and Portugal (%)

	2011	2012	2013
Coal-fired thermal power plants	37.47	38.33	38.17
Fuel-gas-fired thermal power plants	39.59	37.57	38.12
Combined-cycle thermal power plants (natural gas)	48.67	45.81	43.73

The overall efficiency of ENDESA's power stations in Latin America, which use liquid, coal and gas fuels, including combined-cycle power stations, was 45.62% in 2013, a 6.35% improvement on 2012.

Efficiency of thermal power plants in Latin America (%)

	2011	2012	2013
Coal-fired thermal power plants	35.98	30.57	34.03
Fuel-gas-fired thermal power plants	32.47	51	33.09
Combined-cycle thermal power plants (natural gas)	51.04	29.79	50.62

Efficiency of thermal power plants in Latin America, by country (%)

	Colombia	Peru	Brazil	Chile	Argentina
Coal-fired thermal power plants	26.40	n/a	n/a	36	n/a
Fuel-gas-fired thermal power plants	25.90	32.83	n/a	31	33.65
Combined-cycle thermal power plants (natural gas)	n/a	50.55	49.86	51	50.62
Average efficiency	26.15	43.98	49.86	44	44.19

n/a: Not applicable.

The average efficiency of nuclear plants in Spain in 2013 was 35.23% and downtime was 10.55%.

Availability factor at thermal power plants (%)

	2011		2012		2013	
	Spain and Portugal	Latin America	Spain and Portugal	Latin America	Spain and Portugal	Latin America
Coal-fired thermal power plants	4.8	5.8	4.4	9.87	6.79	18.47
Fuel-gas-fired thermal power plants	4	20.26	7.0	17.3	5	31.02
Combined-cycle thermal power plants (natural gas)	8.9	7.46	3.3	5.7	1.62	8.76
Average efficiency	7.7	9.88	4.0	6.3	5.52	13.44

n/a: Not available

For further information, see the chapter on Combating Climate Change, 2.2.1., CO₂ Emissions (pg. 222).

2. Technology leadership model

Throughout 2013, ENDESA continued to work on technological projects aimed at creating value by promoting an innovation culture within the company and generating sustainable competitive advantages. ENDESA's endeavours in R&D and innovation are part of its commitment to sustainability.

ENDESA is developing R&D and innovation projects in all of its business lines and corporate technology activities, which are included in the 2013-2017 Technology Plan which is divided into three time frames:

Technology strategy over three different time frames:

Short-term	Mid-term	Long-term
Providing solutions to the challenges faced by the Company's businesses through R&D and innovation projects aimed at maximising the efficiency of their activities.		
ENDESA is working with its most innovative suppliers and leading international research centres to achieve improvements in disruption while promoting projects and partnerships geared towards new technology and business solutions over a five-year timeline.		
ENDESA engages in technology surveillance and intelligence activities to create future opportunities that will contribute to maintaining its position as a technology leader and lay the groundwork for future business opportunities.		

ENDESA's direct investment in R&D and innovation totalled Euro 40 million in 2013, Euro 23 of which was earmarked for the Spain and Portugal Business and Euro 17 for Latin America, with over 220 projects being mobilised.

Euro 40 million invested in over 220 R&D and innovation projects

Applications were made for four new proprietary technology patents in 2013.

In 2013, ENDESA, in coordination with the rest of the ENEL Group, intensified its R&D and innovation activities in the areas and markets where they both operate through the *Re-*

cerca Strategica programme, which comprises 9 technological research programmes for the entire ENEL Group.

- Monitoring new nuclear technology
- Operating flexibility at plants
- Automation and advanced diagnostics
- Energy storage and management tools for variable resources
- Pollutant and waste control
- Cyber security and zero accidents
- New uses for electricity
- Renewable energies

Progress made in the field of e-mobility and smart cities stands out among the projects conducted during 2013.

For further information, see section 3.1.2. on Smart Grids and Smart Cities (pg. 175), below and the chapter on Combating Climate Change, section 1.4. Leadership in sustainable transport: Electric vehicle promotion (pg. 209).

2.1. Energy efficiency

ENDESA, conscious of its leading role in the electricity supply value chain in those countries where it operates, believes that efficient energy use is a fundamental aspect in sustainable development worldwide and respect for the environment and as such this is a permanent challenge for the Company.

ENDESA remains pledged to energy efficiency which covers optimising generation processes, reducing losses in its distribution networks and energy consumption at our buildings and facilities. We also offer our customers a wide range of efficient products and services. ENDESA also promotes efficiency via communication and raising awareness among society and participates, both in Spain and abroad, in the

main forums for knowledge and dissemination of energy efficiency.

Power losses in the distribution network (%)	2012	2013	% change 2013/2012
Business in Spain and Portugal	7.8	8.1	3.1
Business in Latin America			
Argentina	10.6	10.8	1.9
Brazil	16.4	16.3	(0.6)
Chile	5.4	5.3	(1.9)
Colombia	7.5	7.2	(4.0)
Peru	8.2	7.9	(3.7)

In 2013, the Enel Sole-Endesa Ingeniería partnership was awarded three integral public lighting management concessions, in the ESC (Energy Services Company) modality in Rincón de la Victoria (Malaga), Mora de Ebro (Tarragona) and Los Alcázares (Murcia). In addition to its previous tenders, it now manages 46,000 street lights of which 5,923 use LED technology, representing an investment of Euro 9.3 million and estimated annual energy savings of 49%.

Endesa Ingeniería has also been chosen to develop the monitoring system at the Mathematics Faculty on the Reina Mercedes Campus at the University of Seville which will enable it to implement energy saving measures. This tool will control and forecast all consumption as well as the building's output

of renewable power from a 11 kWp facility which will also be a turnkey project carried out by ENDESA.

Among the energy efficiency initiatives in Latin America we would highlight:

- In supply and distribution, actions carried out in the energy efficiency sphere amounted to Euro 20.5 million, including, most notably, the Coelce and Ampla energy efficiency plans, in coordination with Brazilian energy regulator ANEEL, with an investment of Euro 11 million, of which Euro 7.4 million correspond to the energy efficiency programme for low-income consumers (Euro 4.5 million Ampla and Euro 2.9 million Coelce), and the supply of energy-efficient products by Chilectra, with an investment of Euro 8.7 million, including the installation of 16,000 efficient street lights.
- In the area of generation, investment in operating improvements and energy efficiency projects totalled Euro 14.7 million.
- A pilot test in energy efficiency in buildings was carried out at Edesur's main building. Dichrioc halogen bulbs were replaced with LED lighting resulting in satisfactory results in terms of quality and a reduction in consumption and heat emissions.

Municipality	Province	No. of lights	Facility renewed (%)	No. of LEDs	Annual energy savings (%)	Investment (€)	Annual financial saving for the council (%)
Bollullos de la Mitación	Seville	2,075	72%	269	42%	394,170	10%
Castro del Río	Cordoba	1,715	89%	721	52%	470,659	20%
Muro de Alcoy	Alicante	2,183	92%	0	52%	300,000	18%
Fuente Álamo	Murcia	7,404	89%	131	51%	720,772	5%
Merida	Badajoz	14,689	70%	1,343	48%	2,438,205	15%
Abarán	Murcia	2,194	88%	74	48%	683,000	9%
Rincón de la Victoria	Malaga	6,448	94%	1,082	55%	1,823,027	13%
Mora de Ebro	Tarragona	1,590	84%	420	51%	551,536	15%
Los Alcázares	Murcia	7,622	85%	1,883	43%	1,929,970	9%
Total		45,920		5,923		9,311,339	

3. Technological response to energy challenges

ENDESA continues to develop sustainable energy models with low CO₂ emissions, focused on e-mobility projects and eco-energy services, such as smart grids.

3.1. Technological projects on advanced distribution grids

The main projects conducted by ENDESA in 2013 were as follows:

3.1.1. Remote management project

Remote management project. ENDESA is the leader in Spain in the implementation of remote management among its domestic customers (with contracted power not exceeding 15 kW), with 4 million smart meters already installed and over 32,000 concentrators in the areas where it operates. It is estimated that by 2018 all meters will have been replaced, with nearly 13 million meters and 140,000 concentrators in service.

ENDESA has already installed over 4 million smart meters in Spain

Smart meters are a key contribution to one of the main objectives of Spanish and European energy policy: to boost energy efficiency and savings and to provide a better and faster service in operations performed by the distributor at the behest of suppliers on behalf of customers. They also form the basis of smart grids.

ENDESA's smart metering solution, which it developed in conjunction with Enel, is based on proven, reliable technology in operation in more than 30 million meters in Italy. In Spain, it has been adapted to the requirements of ENDESA's business and to Spanish regulations and incorporates cutting-edge technology, including the latest generation of the PLC communications protocol. This is an open protocol which is currently being standardised throughout Europe.

It is managed by a non-profit body called Meters and More based in Brussels which was founded by ENDESA and Enel in 2010.

Meters and More manages the development and dissemination of the PLC protocol bearing the same name, and now has more than 40 members including companies from the electricity sector, meter manufacturers, technology companies and services companies.

ENDESA and Enel are working proactively to make the smart metering solution available to other distribution companies both in Spain and abroad, adapting it to the different regulatory frameworks. ENDESA is also involved in national and European innovation and energy efficiency projects through technical commissions, seminars, congresses, etc. in order to make headway on the deployment of remote management in Europe and the development of smart grids.

3.1.2. Smart Grids and Smart Cities

Smart Grids. In 2013, the Company launched a pilot project in Malaga integrating various technologies in the city's distribution network to become the testing ground for the development of Enel's smart grids.

The purpose is to analyse how the current energy model can evolve towards sustainability through the implementation of technological solutions. The main aim is to offer integrated energy solutions which will bring energy savings and reduce the environmental impact of CO₂ emissions, in line with the EU's 2020 targets.

Thanks to this project, Malaga will become an international standard bearer for distribution technologies within the framework of the Enel Group's R&D and innovation strategy.

In Peru progress has been made on automating the electricity system to improve reliability and quality of supply by installing reclosers and wireless notification equipment on the medium voltage grid. These will be monitored from the operations centre and allow real time alerts of any incidents on the grids.

Transmission substations have been fitted with programmable logic controllers which automatically adjust the substation's voltage profile according to the load curve of our customers.

Therefore, in order to improve the voltage profile of points far from transmission substations, the Company has started to install low-voltage resin triphasic autotransformers. This initiative entails a lower outlay to improve low-voltage supplies which are being penalised for not complying with the minimum quality - voltage - as per the Technical Quality Standard for Electricity Services (or NTCSE for its initials in Spanish).

ENDESA is configuring its distribution grids in line with the smart grid model. Grid technification and the inclusion of information and communication technology (ICT) mean these grids are able to offer a rapid response to users' needs.

Smart grids allow the connection and operation of renewable, distributed power linked to consumption. They manage demand, flattening the load curve and maximising the use of electric power infrastructure. They make it possible to roll out electric vehicles and develop energy services and improve the quality of the power supply, reducing response times in the event of power failures.

ENDESA is developing the smart grid concept in the smart city programmes—a field in which it is a leader with various projects: In Spain, the Smartcity Malaga project has been running for five years and its counterpart in Barcelona for three years. Meanwhile, in Latin America, work continues on projects in Búzios (Brazil) and Santiago de Chile, both launched in 2012.

Smartcity Malaga

The first phase of Smartcity Malaga was concluded in March 2013 with the Industrial Technological Development Centre, the CDTI, publishing its final evaluation. The first phase, which entailed investment of Euro 31 million, was headed by

Successful culmination of a new, real-time communications system for smart grids

In March, ENDESA successfully concluded its Integris project, *Intelligent Electrical Grid Sensor Communications*, a new real-time communications system for smart grids, led by Enel Energy Europe and captained by ENDESA in Spain, entailing the development of a robust, flexible and low-cost telecommunications network capable of efficiently collating and channelling in real time all the data required by new smart grids.



ENDESA, in partnership with Enel, and also involves another nine companies (Green Power Tech, Isotrol, IBM, Sadiel, Acciona, Ingeteam, Ormazabal, Telvent and Neometrics) and research centres.

First phase of Smartcity Malaga concluded, with investment of Euro 31 million

The most notable activities were the development and roll-out of state-of-the-art distributed energy generation and storage technologies, electric vehicle charging infrastructure, and cutting-edge solutions for improving the energy efficiency of buildings, businesses and homes through the active involvement of end consumers. This experience has shown the feasibility of a new energy management model for cities, meeting the targets of 20% energy savings, a 20%

Smartcity Malaga, international benchmark for cities and sustainability

On 2 and 3 October Malaga became the international centre of energy efficiency research and study as part of the 4th Greencities & Sustainability Forum on Applied Intelligence to Urban Sustainability and the first Tikal Forum on Technology, Innovation and Knowledge in Latin America.

Specialists from all over the world attended both events, with many attending from ENDESA given its renowned experience and leadership in developing smart cities in Spain. The Company presented the achievements and advances of Smartcity Malaga, an initiative which has paved the way for its other smart city projects in Barcelona, Búzios (Brazil), Santiago de Chile and Bogota.



These plans form part of the Enel Group's global smart grid initiative with projects in Italy in Bari, Cosenza, Genova and L'Aquila.

reduction in CO₂ emissions and a significant increase in the use of renewable energies. The project took place in an area of the city with 12,000 residential, 300 industrials and 900 service customers.

Following the success and international recognition of the Smartcity Malaga project, the first of its kind in Spain, the city of Malaga has become the Enel Group's testing ground for developing smart grid distribution technologies.

The next phase of Smartcity Malaga ensures the project's continuity and establishes the city as a centre for the trialling and development of the Enel Group's distribution technologies. As a real-time testing ground, Malaga will employ the technologies installed during the first phase, when the distribution network was configured as a smart grid. These technologies will enable the testing of new equipment and operating models and the management of consumption. Research will focus on analysis of efficiency indicators, advanced grid operation, remote management services, cyber security, energy-saving measures and active demand management for residential and large customers and buildings, the integration of renewables, storage and e-mobility.

Smartcity Barcelona

The development of the new energy model continued in Barcelona, rolling out and testing the most advanced smart meter, grid automation, efficient lighting, renewable energy integration and e-mobility technologies.

Among the most significant schemes is the Future Grid for Electric Energy Distribution initiative, which has seen the roll out of over 1,600 monitoring and control devices in the area involved, entailing 168 medium-voltage lines and 2,083 transformation centres in Barcelona. This will bring increased infrastructure utilisation, swifter response times in the event of incidents and the optimum operation of the grid, thus leading to increased stability and better quality of supply.

Work also continued on development of the Solar House and its Smart Grid Service Center, located in the port area, to monitor and manage the systems set up as part of Smartcity Barcelona and all associated information. This year a battery storage system was introduced to improve the self-supply capacity of the Solar House, enabling it to operate like a microgrid which combines consumption at this facility

with photovoltaic solar generation, energy storage and EV recharging.

ENDESA received two important international visits in the year: in June it attended the *Accenture Smart Grid Leadership Network* with representatives from Europe's leading utilities, and in September it received a delegation from the European Parliament —from the Environment, Industry, Research and Energy Commissions— and the EDSO (*European Distribution System Operators*). The delegation visited the *Smart Grid Service Center* and ENDESA's Network Control Centre in Barcelona.

Also, Barcelona was the setting for the 27th International Electric Vehicle Symposium & Exhibition, which showcased e-mobility experiences, developments and technologies and associated infrastructures. The Enel Group was present at this event which received 13,000 visitors.

Smart City Brazil: Smartcity Búzios



This is the first smart city project in Latin America, implemented in the city of Búzios in the state of Rio de Janeiro. The main objectives of the project were to integrate smart metering, grid automation, e-mobility, smart street lighting and distributed generation technologies, among others, to evaluate their economic, technical and social feasibility.

This is a three-year project and will run until November 2014, with a budget of Brazilian real 40 million and funding from the Brazilian electric power agency, Aneel, through research and development funds, Ampla's own funds and resources from the various sponsors and partners, including six research institutions.

In addition to technological advances, the aim is to raise awareness of efficient electricity consumption among the residents of Búzios. For this purpose, workshops have been held in state schools and courses in skill-building and electricity consumption management have been offered to citizens.

The Smartcity Búzios project is a research and development project and over the three-year long project (2012-2014) the city will undergo technological, economic, social and environmental changes.

Various technologies using renewable energies (wind and solar) are being built; as are automated networks which can be controlled remotely and adjusted in real time; smart meters offering greater control over energy consumption and bilateral measurement are being installed; LED lighting, which is more economical and reliable, is being introduced; and initiatives to encourage greater energy efficiency to reduce the impact on the environment are being implemented.

Approximately 6,000 smart meters will be installed in 2014, bringing the total to 10,000. The Company can now track the consumption of 500 customers. Some 90 LED lights will be installed in the main avenue, bringing the total in the city to 150. There are currently four electric vehicles in operation and 20 electric bicycles. The city also has four recharging points and there is an electric water taxi which does not pollute the atmosphere and is six times more economical to run than a traditional boat with fuel oil.

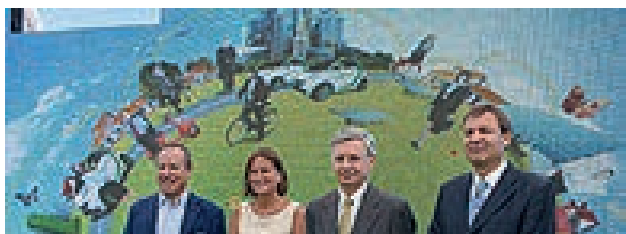
Smartcity Santiago

This is Endesa's second smart city in Latin America. Located in Santiago's business park, its purpose is identical to that of Búzios.

A work plan will be implemented in Chilectra's area of operations based on the results of full-scale pilot projects using these technologies.

Chilectra lays the first stone for Smartcity Santiago

In January 2013 the first stone of the Smartcity Santiago in the Ciudad Empresarial business park was laid. Smartcity Santiago, the first in Chile, will enable the city of tomorrow to be designed, improving the quality of life of its users by incorporating e-mobility projects, home automation projects, photovoltaic solar power generation, remote metering, automated electricity grids, LED street lighting and remote surveillance, among other projects.



3.1.3. Network innovation projects

- **SmartiePlus Project** In 2013 work concluded on a new power electronics device capable of optimising load distribution which can help reduce losses and improve supply, permitting a larger and better penetration of renewable energies in the grid.

It also helps control voltage on the grid by injecting reactive power at points far from the supply source, thereby reducing harmonics and helping improve the quality of supply.

- **Eccoflow:** Installation of a superconducting fault current limiter using technology at an HV/MV substation in the Balearics, based on next-generation superconducting technology and the first of its kind in Spain. This project, which belongs to the European Union's *7th Framework Program*, is being implemented by a consortium of companies and academic institutions from across the EU in which Endesa Distribución works mainly as a host utility and in defining the specifications and grid analysis with the potential benefits this will offer (within the Smart Grids scope).

The installation of a superconducting fault current limiter (SFCL) on ENDESA's 15 kV grid concluded in 2013 and was presented internationally at the *Workshop on Superconductivity applied to Electricity Grids* held on 20 September at ENDESA's headquarters in Mallorca, with delegates from 15 countries, including the European Commission's Project Officer.

- **Future Grid for Electric Energy Distribution project:** Installation in Barcelona of a technologically advanced remote control system with automatic breakers and fault bypass detection to optimise the location of power failures and automate grid management. This project, which will run for three years (2011-2013), has helped improve the quality of supply with lower operating and maintenance costs (eliminating the need for response teams), and improved the average affectation time by 18%, and optimised operation of the grid to extend the useful life of our assets. It has also slashed the number of steps at Transformation Centres by 21% and considerably reduced the number of steps at source (faults), preventing premature aging of the cables.

For 2014, and with the system fully rolled out, we expect ratios to improve across the board, including a reduction in the number of faults, without having to increase investment in upgrading cables over the short term.

3.1.4. Customer service projects

- **Project GATE:** Automated breakdown response service as part of the customer service offered by the distribution company to improve the information provided regarding unplanned or programmed supply outages. In 2013 a parallel pilot project was launched to analyse and validate the viability of the proposed solution.
- **NEOS Project:** Development of an Integrated System with online access to manage customers' requests to be included in the distribution network, connecting generation facilities or carrying out repairs on the grid, by using a single platform where all players involved both internal (Customer Service Channels, New Supplies, Development, Planning and Customer Access and Metering) and external (Customers, Contractors, Engineers, Service Points, etc...)

can interact, thereby making current processes more efficient and auditable, while adapting them to prevailing legislation for this activity.

3.1.5. E-mobility projects

- **Electric vehicle:** An important part of the smart grids projects is the recharging of electric vehicles. Endesa Distribución Eléctrica participates in various projects, both in Spain and abroad, to integrate EVs into the grid.

The ZEM2ALL project, launched in 2011 and which will run until 2015, assesses the impact of rolling out a fleet of EVs in urban environments (Malaga city). It then uses this experience and knowledge to introduce EVs into society. To date 160 vehicles have been rolled out in the first stage among domestic and corporate customers, with 200 vehicles expected to be introduced in total. There are various recharging solutions available, normal charging at the customer, public rapid recharging points and bi-directional recharging or V2G. We are also designing user communication systems and distribution network and recharging management systems. The ZEM2ALL project is part of the *Japan Spain Innovation Program*, organised by an international consortium comprising three Japanese and six Spanish companies, with a budget of Euro 31.4 million.

- **Green eMotion:** Endesa Distribución Eléctrica has also been involved in the European Commission's *Green eMotion* project since April 2011. This scheme is intended to promote e-mobility in Europe and introduce a standardised process for charging and associated services. This four-year, Euro 42 million project, has 43 partners.

For further information, see the chapter on Combating Climate Change, section 1.4. Leadership in sustainable transport: Electric vehicle promotion (pg. 209).

3.1.6. Metering management projects

- **RAM Project:** This project aims to ensure that meters and metering equipment as well as the technical data needed

for their correct operation, including new features such as modems and SIM cards, and maintenance are managed and handled correctly.

- **ALMA.** This project ensures, with regard to quality and timeframe, the process for acquiring, validating and publishing meter readings regardless of their source, and incorporating the necessary tools to maintain remote metering of all supplies, including large customers and domestic customers. This system controls all processes and eliminates, or minimises, all financial risks of this activity.
- **DIANA project:** This entails real-time tasks in customers' homes (or TDC for its acronym in Spanish): The TDC concept represents a significant advance in handling service orders and relationships with suppliers and is fully adapted to carry out tasks remotely by integrating it with the remote management system.
- **MIDAS Project:** This is a system for forecasting non-technical losses based on data mining and artificial intelligence techniques (KBS). Various tests were carried out in 2013 to feed the system retroactively and improve it, make it more effective in recovering power. The system is ready to be rolled out by ENDESA in 2014.
- **Lightning Monitoring System:** In 2013 this system, which was fully operational in 2012, became the Specialists in Lightning Detection Antennas programme in conjunction with the Ceará State University and the University of São Paulo. In this second phase a new lightning detection antenna will be developed to be integrated into the company's monitoring system in 2014.

3.2. Efficient energy use

3.2.1. Active demand management

Innovative projects for managing demand in the companies sector include:

- **European EnergyTIC Project:** A variety of innovative solutions for social housing customers to save water and energy. The project will be carried out in 1,000 homes in France and 700 in Spain. ENDESA is actively involved in this project as a technology partner, leading Spain's contribution to remote customer management.
- **Novare Energrid project:** This project examines the viability of a distributed smart infrastructure system to manage supply and demand in the electricity grid. The results will make it possible to manage the production and consumption of energy in a decentralised system based on small nodes (homes, businesses). The project is also intended to improve energy management in buildings through dialogue between consumers, producers and users. The marketing phase got under way in 2013.
- **STORE project:** This project devises energy storage technologies that can be applied directly in power systems to better manage temporary imbalances between supply and demand.
- **Smart metering and automated grids and efficient street lighting systems:** These projects, implemented in Peru, have significantly improved grid efficiency and customer services. The Smart Totalisers Project in SEDs is intended for 400 SEDs, 101 of which have already been installed, and are monitored remotely. In addition, the public lighting circuits in these SEDs can already be remotely turned on and off.
- **Reactive power compensation, demand management and wave quality through efficient lighting:** Implemented in Colombia, this project is aimed at reactive power compensation, managing wave quality and managing energy distribution grids through efficient lighting.
- **Ampla Quality Plan:** Implemented in Brazil, this is a project devised to mitigate the impact of climate change and strengthen structures to ensure a quality electricity supply. In 2014, in addition to the projects to build and redirect the grids, construction work on the Frade substation will commence and is due to end in 2015.

As part of the STORE Project, in February 2014 ENDESA began work on installing the first power storage plant in Spain in the town of Aldea de San Nicolas de Tolentino on Gran Canaria. This 1 MW pilot demonstration plant will be used to test the commercial viability of energy storage technology using lithium-ion batteries in island networks. The plant will be connected to the grid and will supply 3 MWh of power to help manage peak demand and the load of the line to which it is connected as well as providing ancillary services such as regulating frequency and controlling tension.

- **CAES Project:** Studies for developing energy storage systems using underground compressed air technologies.
- **Automation of the medium-voltage grid and Ohmic phase locator:** These projects are being developed in Argentina to reduce grid losses and increase overall system efficiency.

3.3. Technology projects to boost efficiency in generation

In 2013, ENDESA continued developing technological innovations to boost efficiency in its energy generation processes.

3.3.1. Clean combustion

ENDESA invests in the best technology and optimises its natural resource use to improve efficiency in its power generation processes, through, for example:

- **La Pereda carbon capture plant:** Project for constructing and testing a pilot post-combustion carbon capture plant using carbonisation-calcination cycles at La Pereda in Asturias.

- **Less CO₂ Project:** Design, development and construction of an experimental chemical absorption carbon capture plant, applying and evaluating new amine-based chemical absorbents. This is the first experimental plant of its kind to be installed in Spain.
- **Pilot plant to capture CO₂ using Microalgae:** A pilot plant located in the Litoral de Almería thermal power plant set up for the recovery of CO₂ from combustion gases using microalgae in order to obtain commercially viable products such as biofuels.
- **O2GEN Project:** Project to study second-generation Oxy-CFB technology with high O₂/CO₂ ratios in small boilers at a lower cost.
- **RECAL Project:** Validation of the feasibility of the patented recarbonisation process to increase the efficiency of sorbents used.
- **Biodiesel and natural gas:** In Argentina, the Costanera plant is developing a programme of tests on the use of biodiesel and natural gas with a high propane content in combined cycle plants, set to commence in 2013.
- **Solar energy:** This is an initiative coordinated by the Brazilian Independent Electric Power Producers' Association (Apine) and Endesa Generación in Brazil, to develop projects to assess solar energy technologies. Four solar plants will be built in different locations around the country, with the goal of analysing the performance of different technologies in different areas. Endesa Geração will be in charge of four plants, with investments totalling Brazilian real 5.5 million.

3.3.2. Renewables

- **Undimotriz:** This is a Chile-based project to study the use of wave power to generate electricity. In conjunction with Enel, the Company has examined available technologies, analysed the regulations for awarding maritime concessions and performing environmental impact assessments in relation to this type of project.
- **Capim Elefante Project:** Conducted in Brazil to create optimal conditions for the lifecycle of this species of grass on an experimental farm with a view to improving biomass availability in Brazil and other south American countries.

3.3.3. Nuclear

ENDESA participates in various nuclear R&D and innovation programmes and holds the position of Secretary in the Spanish nuclear fission energy technology platform, CEIDEN, which coordinates research, development and innovation activities in the sector. Through the Nuclear Energy Committee of the Spanish Energy Industry Association (UNESA for its initials in Spanish), ENDESA undertakes research projects of interest to its nuclear power plants. The following programmes are of particular relevance:

- **EPRI nuclear programme:** pursuing operational excellence at nuclear power plants.
- **Coordinated PCI Research Programme:** carried out with the participation of sector companies and the Nuclear Safety Council (CSN) to analyse plant security for both operators and the regulator.
- **Joint PIC Programme, developed by electric utilities and ENUSA:** which coordinates R&D and innovation activities related to nuclear combustion and defines common interest projects.

4. A culture of innovation and knowledge management

As part of its open innovation model ENDESA has chosen to work with entrepreneurs to find solutions to the challenges facing our businesses.

ENDESA promotes a culture of innovation and knowledge management among its employees and throughout its value chain.

4.1. Eidos Market

The second edition of the Eidos Market ideas platform was launched in June 2013. Eidos Market was set up to promote and recognise innovative ideas among



ENDESA employees in Spain and Latin America which provide solutions to the challenges and problems facing the company.

The project is based on the premise that all ENDESA employees, regardless of where they work, are able to identify actions which help cut costs or increase revenue for the firm. The scheme offers a platform for them to express their knowledge and experience.

During 2013 Eidos Market gained in popularity and since its launch has received 2,000 responses from employees across the group. The platform makes use of the latest technology such as the crowdsourcing philosophy, or predictive markets techniques to garner ideas with a view to maximising innovative potential through the collective intelligence of the employees' social network.

4.2. ENEL Lab

In 2013, the first edition of the ENEL LAB competition was launched across the Enel Group. With prize money of Euro 15 million, the competition is intended to promote young Spanish and Italian companies which are developing clean

technologies. In this first edition ENDESA will be mentoring MIRUBEE, a Spanish energy efficiency company.

4.3. Spain and Portugal

In Spain, the key purpose of the ENDESA Energy School is to foster and generate knowledge and innovation across the Company, focusing on interrelated and complementary functions, such as: incubating and selecting talent, co-ordinating and promoting ENDESA'S relations with universities, a technical research hub and managing technical knowledge of the business.

For further information, see the chapter on People, section 5. Training at ENDESA (pg. 98).

4.4. Latin America

Colombia

To promote Endesa Colombia's image internally as an innovative company, in 2006 it launched the IDEO Innovation System, offering the necessary time, equipment, support and resources so that ideas can be tested and generate value for the Company. IDEO is a crowdsourcing innovation system which includes employees' ideas and stimulates the creation of proposals which offer financial, environmental, social and customer benefits for the different processes within the organisation. In order to market the ideas proposed in the Innovation System, the company took part in FISE, the electricity sector's most important trade fair, where it presented two of the projects which already have patents. In 2013, IDEO generated 347 ideas, of which 135 were assessed, 88 of the ideas included in the Eidos Market market were from Colombia and registered in the IDEO System. In 2013, 51 projects were submitted, 39 of which came from the distribution business, nine from the generation business and three from both businesses. In total four international patents were granted.

Trípode is a patented initiative to eliminate the risk of accidents when working at height.

It is a temporary safety support for all work carried out on wooden posts which might break. The initiative aims to eliminate the risk of operatives falling from height when working on power distribution systems. This solution started as an "ongoing improvement" idea before becoming an innovation in the IDEO System, and is already being used by crews at partner companies and Empresa de Energía de Cundinamarca.



Argentina

Argentina launched an innovation programme in the year, comprising 18 projects submitted by company employees. Of these, we would highlight the Ohmnic Phase Locator which establishes a Customer-Grid link, and research into mitigating magnetic fields by the National Technology University through the University Alliance Programme.

In the year the Company also offered the first course on renewable energies for Innovation Leaders (authors and participants in innovation projects) at the Flores University.

Chile

Endesa Chile's R&D and innovation department launched various programmes aimed at promoting innovation within

Coelce receives Best Innovator 2013 award

Coelce received the *Best Innovator 2013* award at an act organised by the journal *Época Negócios* in collaboration with consultancy firm S.T. Kearney which recognises the most innovative companies in Brazil. Coelce came top in



the electricity sector category and ranked 11th overall among Brazilian companies with the best innovation results.

the company and worked with many of the country's main academic centres.

Chilectra won first prize in the IDDEO 2013 awards in the "Services Companies" category. Organised by the Ministry of Finance, the IDDEO awards (innovation at companies and organisations) recognises ideas from people working at private and public institutions which have a positive impact on the organisation's results and its customers.

Brazil

The Inspire Programme was launched in 2013 to integrate various existing initiatives, namely: *Deu Certo*, *Bolsa Coelce de Inovação*, *Inova*, *Lean* and *Eidos*. Under this new scheme, innovative projects will also be extended to *Geração* and *Prátil*.

Inspire comprises three innovation areas: *Inspire Novas Ideias*, which involves weekly meetings to present new ideas to the Executive Committee; *Inspire Deu Certo*, which involves putting a product into practice; and *Inspire Multiplique*, which replicates the projects.

Support is also offered to all employees or contractors with interesting ideas and who wish to take part in the scheme. Endesa Brasil trained a number of mentors to work on this project.

5. A leader in technology and innovation

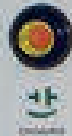
5.1. Participation in technology platforms

ENDESA also continued to participate in various technology platforms, including the Technology Platform for Energy Efficiency, the Platform for Electricity Grids of the Future (FUTURED) – where it is a member of the reactor working group, and the Nuclear Fission Platform (CEIDEN) – where it acts as Technical Secretary. The company also collaborates in other platforms such as the Spanish CO₂ Technology Platform, the Spanish Technology Platform for Hydrogen and Fuel Batteries, the Spanish Technology Platform for Industrial Security (PLATI) and the Spanish Biomass Platform (BIOPLAT).

ENDESA also actively participated in many other organisations and is a founding patron of the Catalanian Institute for Energy Research (IREC), the Andalusia Technology Corporation (CTA) and the Pro Rebus Foundation of the Spanish Royal Academy of Engineering.

In Latin America, the company works with Colciencias (Colombia), and has cooperation agreements with the Energy Sustainability Research Centre (CISE) at Chile's Universidad Pontificia Católica.

E endesa
luz · gas · personas



CÀRREGA RÀPIDA

E endesa

CONNECTA'T
AQUI

PUNT DE RECÀRREGA
VEHICLE ELÈCTRIC



Our partners

Commitment
to our partners

18,821 suppliers
in 2013

Euro 3,603
million in purchases
from suppliers

7.28% decline
in accident rate
among suppliers and
contractors

100%
of significant
contracts include
human rights clauses

ENDESA is committed to extending its sustainability commitments to its partners and supporting economic, social and environmental development of each region where it operates.

In 2013, the Company continued with its Vendor Rating System, increasing the number of purchasing families from 83 to 138, a 55% increase on 2012. As part of the prevention system audit assessment model rolled out in 2010 with the Emergency Safety Plan, a new onsite audit has been designed. This involves an onsite inspection in addition to submitting supporting documentation, and offers a more in depth analysis. In 2013, 56 audits were carried out at high-risk suppliers.

Priority issues – 2013 materiality study	ENDESA's response in the report
Principles guiding suppliers' conduct (scope of the Code of Ethics - Suppliers).	Chapter on Our partners: 1. Commitment to our partners. 1.2. Global Compact and Code of Ethics
Integration of environmental and social requirements into the supply chain.	Chapter on Our partners: 1.1. Quality, environment and occupational health and safety. 1.2. Global compact and Code of Ethics. 3. Extending health and safety standards at partner companies.
Promotion of human rights in the supply chain (clauses, audits, etc.).	Chapter on Our partners: 1.2. Global compact and Code of Ethics.
Extending occupational health and safety best practices to the supply chain.	Chapter on Our partners: 3. Extending health and safety standards at partner companies.
Water risk management across the supply chain.	Chapter on Commitment to the environment: 3. Integrated water management.

Challenges in 2013	Actions taken
Continuing to monitor ENDESA's commitment to implement, through the Vendor Rating System, an OHS Management System according to OHSAS 18001 at strategic suppliers. We will also begin a pilot scheme to audit all major subcontractors providing activities which pose the greatest risk to safety.	We have designed a new audit model for the prevention system which entails a combined documentary audit at the offices of the supplier. In 2013, 56 audits were carried out at high-risk suppliers.
Including all One Safety activities carried out by ENDESA and our contractors for those activities that pose the greatest risk to safety when measuring compliance with safety in the Vendor Rating System.	We have revised the current Vendor Rating operating notes for risk activities and incorporated a rating for participating in our one safety project.
Monitoring ENDESA's commitment to ensure that, through the Vendor Rating System, the Environmental Management System was implemented according to ISO 14001 by strategic suppliers.	Once the rating system system was rolled out to the most significant families from an environmental point of view, 100% of the rated suppliers hold ISO 14001 accreditation.
Promoting in Latin America a pilot scheme to undertake strategic alliances with suppliers concerning safety.	31 strategic alliances have been undertaken with suppliers in Latin America.
Monitoring the commitment to ensure that, through the Vendor Rating System, the Quality Management System is implemented according to ISO 9001 by strategic suppliers.	Once the rating system system was rolled out to the most significant families in terms of quality, 100% of the rated suppliers now hold ISO 9001 accreditation.
Incorporating the Vendor Rating System for the risk families in which safety audits are conducted.	All the high-risk families in the distribution business and the key families in the generation business are now included in the rating system. The rest should be included over the next three years.

Key figures 2011-2013			
	2011	2012	2013
Number of suppliers	20,765	20,933	18,821
Purchases from suppliers (Euro million)	4,516	4,174	3,603
Training in occupational health and safety for all contractors and subcontractors (%)	100	84	88
Deaths	4	6	7
Local suppliers with contracts > €1m	588	515	454

In 2014, we propose
To finish the pilot plan for onsite audits of the prevention system and to establish a roll out plan of these audits to high risk families.
To revise the Alliances Model with contractors.
To incorporate more risk families into the Rating System with safety audits being carried in the generation and sales businesses.

1. Commitment to our partners

ENDESA has stepped up its drive to promote a commitment to sustainability among its partners.

The Vendor Rating System, which was rolled out in 2009 to boost compliance with applicable legal, labour, safety and environmental protection regulations, was further developed in 2013. The System determines whether a supplier meets the requirements for working with ENDESA.

It is based on the Enel model and sets out five standards that partners are required to meet:

- General adoption of ENDESA's commitment to the 10 principles of the United Nations Global Compact.
- Having a code of conduct in line with the general principles of the ENDESA Group's Code of Ethics
- Assessment of compliance with quality standards (ISO 9001).
- Assessment of compliance with environmental standards (ISO 14001).

- Assessment of compliance with occupational health and safety standards (OHSAS 18001).

Implementation of Vendor Rating System increased 66% in 2013

The Vendor Rating System has been implemented for 138 purchasing families, 55 more (+66%) than in 2013, it has been implemented for 53 families in Spain, 23 in Chile, 15 in Brazil, 26 in Peru and 21 in Colombia.

Once fully deployed, it is expected that 60% of purchases will be covered by the system and close to 1,500 suppliers and contractors will have to fulfil the requirements set out therein.

On 1 July 2013, the first edition of the Enel Group General Terms and Conditions of Contract (GTCC) came into force. This comprises a general section applicable to all works/services/supply contracts and various appendices. Each appendix contains provisions applicable to each country. There are currently six country appendices (Spain, Italy, Chile, Peru, Colombia, Brazil and Portugal) with a seventh due to be added

Days worked by contractors ⁽¹⁾

			Spain and Portugal	Argentina	Chile	Brazil	Peru	Colombia ⁽¹⁾	Ireland	Morocco	Total
Construction activities	Full-time-equivalent days ⁽²⁾	2011	1,165,139	345,073	631,175	1,002,744	313,593	920,057	2,911	1,297	4,668,091
		2012	482,317	301,445	968,578	537,442	330,670	864,826	728	1,510	3,487,526
		2013	925,210	269,193	333,104	726,159	312,498	934,818	–	–	3,500,982
Operational activities	Full-time-equivalent days ⁽²⁾	2011	1,701,005	503,778	921,462	1,463,921	457,820	1,343,205	4,250	1,894	6,397,335
		2012	835,456	451,185	415,731	1,613,696	617,055	1,583,155	1,032	2,139	5,519,448
		2013	1,585,364	461,268	570,780	1,244,286	535,470	1,601,828	–	–	5,998,997
Maintenance activities	Full-time-equivalent days ⁽²⁾	2011	2,050,055	607,154	1,110,549	1,764,321	551,766	1,618,834	5,122	2,283	7,710,084
		2012	2,744,537	610,492	475,234	1,760,587	497,921	1,210,220	1,274	2,642	7,302,907
		2013	2,134,090	620,921	768,339	1,674,958	720,807	2,156,251	–	–	8,075,365
Total number of days worked in construction, operational or maintenance activities	Full-time-equivalent days ⁽²⁾	2011	4,916,199	1,456,005	2,663,186	4,230,986	1,323,179	3,882,095	12,283	5,474	18,775,510
		2012	4,062,311	1,363,132	1,859,542	3,911,725	1,445,646	3,658,200	3,034	6,290	16,309,880
		2013	4,644,664	1,351,382	1,672,223	3,645,403	1,568,775	4,692,896	–	–	17,575,343

(1) Full-time-equivalent days that contractors or subcontractors spent working at the organisation (generation, distribution, transmission operations).

(2) A full-time-equivalent day is defined as the total number of hours worked by employees, contractors and subcontractors, relative to the work schedule, divided by 8.

to the third edition of the GTCC on 1 March 2014 covering Romania.

This standard document unifies all the terms and conditions applicable to the countries where Enel's Global Procurement units operate. The document also contains the Enel Group's ethical commitments which reflect Enel's corporate policy on ethical and social issues. It includes specific provisions regarding occupational health and safety and the sanctions to be applied in the event of any breaches (including the possibility of rescinding the contract).

In 2013, contractors and subcontractors involved in construction, operation and maintenance activities worked a total of 17,575,343 days, a 7.2% increase on 2012.

1.1. Quality, environment and occupational health and safety

ENDESA has continued to identify strategic suppliers and contractors in the areas of quality, the environment and occupational health and safety. According to the audits carried out among purchasing families in 2013, 55 families require ISO 9001 Quality Management certification (38 in Spain and 17 in Latin America), 39 require ISO 14001 Environmental Management accreditation (27 in Spain and 12 in Latin

America), while 34 require OHSAS 18001 certification (divided evenly between Spain and Latin America).

We use the Repro register to control and disseminate compliance with these accreditations.

1.2. Global Compact and Code of Ethics

On 1 July 2013, the first edition of the Enel Group General Terms and Conditions of Contract (GTCC) came into force, applicable to Italy, Spain, Portugal, Chile, Peru, Brazil and Colombia. Under these, suppliers pledge to adopt and fully abide by the 10 principles of the Global Compact when work is carried out by both own employees or subcontractors. In their own Code of Ethics, suppliers undertake to apply the same ENDESA principles, or principles equivalent to ENDESA's, in managing their business.

In 2013, 100% of contracts contained Human Rights clauses.

In the past three years, the main contractors, suppliers and business partners have been evaluated regarding human rights

Weighting of materials and services supplier contracts that include human rights clauses

		Spain and Portugal	Latin America	Argentina	Chile	Brazil	Peru	Colombia	Total
Number of significant contracts that include clauses on human rights or that have been assessed	2011	475	236	3	39	90	27	77	711
	2012	290	276	4	65	110	35	62	570
	2013	307	249	7	54	81	42	65	556
Total number of significant contracts	2011	475	236	3	39	90	27	77	711
	2012	290	276	4	65	110	35	62	570
	2013	307	249	7	54	81	42	65	556
% of all significant contracts that include clauses on human rights or that have been assessed	2011	100	100	100	100	100	100	100	100
	2012	100	100	100	100	100	100	100	100
	2013	100	100	100	100	100	100	100	100

Significant contractors, suppliers and business partners that have been assessed on human rights issues

		Spain and Portugal	Latin America	Argentina	Chile	Brazil	Peru	Colombia	Total
Significant suppliers, contractors and business partners that have been assessed on human rights issues	2011	117	27	1	2	11	5	8	144
	2012	52	14	1	2	8	2	1	66
	2013	211	13	1	1	5	2	4	224
Total significant suppliers, contractors and business partners	2011	408	218	3	41	76	30	68	626
	2012	307	277	6	66	108	37	60	584
	2013	266	259	11	58	74	51	65	525
% of all significant suppliers, contractors and business partners that have been assessed on human rights issues	2011	28.7	81.12	33.33	4.88	14.47	16.67	11.76	23.00
	2012	16.9	34.18	16.67	3.03	7.41	5.41	1.67	11.30
	2013	79.32	5.02	9.09	1.72	6.76	3.92	6.15	42.67

1.3. Purchasing families and technical safety requirements

Using our rating system (rolled out in 2010 with the Emergency Safety Plan), ENDESA has identified all contractors and partners who undertake risk activities at the Company's facilities.

Now that the Emergency Plan has concluded for all risk families, this audit has become a rating requirement for all sup-

pliers who do not hold OHSAS 18001 accreditation. Onsite audits of the prevention system have also been introduced. These new onsite audits entail a combined visit to the contractor's offices and workplaces in the field to ensure the prevention system is working efficiently. The audits are carried out by multidisciplinary audit teams comprising a business technician, a prevention specialist and a specialist in rating suppliers. A new model was designed in 2013. As part of the pilot project, 56 of the 70 works subcontractors and MV and LV maintenance subcontractors in Spain and Latin America were audited. The pilot is due to conclude in 2014.

2. Extending health and safety standards at partner companies

ENDESA conveys the following commitments to extending occupational health and safety among its partner companies:

- Safety certification for risk-related activities.
- Promoting OHSAS 18001 certification for these activities.
- Being firmly committed to managing and collating information on occupational health and safety to be included in the General Terms and Conditions of Contract.

In 2011, the Company implemented a procedure to be followed in the event of serious accidents, both in Spain and Latin America. ENDESA Procedure SGSST-PG11 of the OHS management system establishes that contractors must design a specific prevention plan for contracted works, detailing the protective equipment to be used. Furthermore, all work is to be monitored and controlled (a process known as "invigilation"). All serious accidents are reviewed by a committee composed of experts from the Prevention Service of the unit where the accident took place and procurement experts, in order to establish corrective measures to avoid similar accidents.

In Spain, under ENDESA procedure SGSST-PG11 of the OHS management system and Annex IV of the General Terms and Conditions of Contract, contractors must provide specific OHS training based on the risks involved in the contracted activity.

Special emphasis is given to training personnel exposed to risk of electric shock, those working at height, those responsible for onsite occupational risk prevention or those working as site foremen, as well as risk prevention and health and safety officers, etc.

Latin America

In order to promote security and become a standard bearer in the area of occupational health and safety in the electricity sector, ENDESA is drawing up policies and requirements, for its own employees and contractor staff, in the five countries where it is present.

Brazil

In 2013, all employees and contractor staff received occupational health and safety training according to their responsibilities and the risks managed. They also received personal protective equipment (PPE) according to the place of work and activity.

At 31 December 2013, 11,611 contractor staff worked at Endesa Brasil's companies, mostly in operation and maintenance activities. The group is seeking to transmit to its entire business chain the positive impacts of this training and requires that all its contractors and suppliers follow the same guidelines and corporate values whereby these are incorporated into and followed in everyday work, competencies are developed and operating excellence and customer attention is achieved.

Chile

Safety is a key priority in Chile, as at all ENDESA companies. In order to achieve zero accidents, between 2010 and December 2013, the Group applied Security Plans such as, inter alia, Safety Walks, Occupational Accident Prevention Index inspections and the One Safety programme. In the Distribution business, in addition to the abovementioned initiatives, an Emergency Plan was introduced. All these measures are intended to address specific risk control areas in those sub-contractors with the highest accident rates.

We would highlight the following OHS initiatives:

1. A review of the technical specifications of tender contracts to incorporate the specific security standards for each job as required by the company.

2. OHS rating for subcontractors. This process will assess the degree of compliance with OHS standards required by the company, such as: working procedures, OHS policies, organisational unit, accident rates, certifications, etc.

3. Incorporation of personal protection equipment. In 2013, all contractor employees were provided with personal protection equipment for working at height, protection against electric arcs and anti-inflammatory clothing.

4. Health. Various health campaigns covering the most common ailments were introduced.

5. Recognition of safety measures introduced at collaborators, awarding effective leadership among supervisors, promoting safety.

6. Training and development of staff at collaborators, instilling a safety culture (plays, testimonial videos, docurealities, promoting safe conduct, the choose life programme, Alliance Project, safety meetings with executives from distribution contractors.

7. One Safety Project at contractors, aimed at behaviour of workers involved in jobs with a high risk of accidents.

Colombia

Codensa

Contractors took part in technical and technological training as part of the National Learning Service agreement with 125 employees from six companies. There were also short programmes involving 425 employees from various contractors, entailing 69,950 training hours.

The Contract Manager Diploma was also offered as part of the National Learning Service agreement, involving 32 contract managers and coordinators. 94% of those taking part were from Codensa and Emgesa.

The Manager Manual, aimed at operating contract managers and coordinators, was also updated, with 88 people taking part.

During the year, the Bosanova training centre offered 245,310 training hours, three times the number in 2012, with 11,299 people receiving training.

Emgesa

The company offered short training sessions for 40 employees at three contractors, totalling 1,238 training hours.

The Contract Manager Diploma was also offered in conjunction as part of the National Learning Service agreement, involving 10 contract managers and coordinators. 94% of those taking part were from Codensa and Emgesa.

The Manager Manual, aimed at operating contract managers and coordinators, was also updated, with 70 people taking part.

During the year, the Bosanova training centre offered 3,402 training hours to 403 people.

Plan "5+1"

In 2013, ENDESA continued to take a broad range of measures aimed at occupational risk prevention, including reinforcing Plan "5+1". Partner requirements under this plan include:

- The establishment of a culture of safety throughout the organisation and encouraging the partner companies to follow suit.

- The deployment of mechanisms to improve safety levels at partner companies.

Zero accidents safety plan

Work continued on the Company's workplace health and safety plan (Safety Plan 2011-2015), for all countries where it operates. The Plan identifies five challenges:

The Zero Accidents safety plan aims to reduce accidents and fatalities

- A reduction of accident severity and elimination of fatal accidents.
- Improvement in accident rates in transport.
- Standardisation between ENDESA and its contractor partners in terms of a culture of risk prevention and occupational health improvements.
- Reduction of legal risk.
- Consolidation of ENDESA as a leading utility in risk prevention.

Furthermore, the Vendor Rating System and the safety audits carried out under the Emergency Safety Plan have reinforced partner companies' commitment to employee safety.

2.3. Contractor training

In 2013, 88% of ENDESA's employees and subcontractors received occupational health and safety training relative to their jobs.

88% of contractors received OHS training

Contractors and subcontractors receiving occupational health and safety training

	2011	2012	2013
Spain and Portugal	25,817	17,420	18,390
Latin America	42,373	32,663	38,825
Other countries	641	–	–
Total	68,831	50,083	57,215

Up until 2012, when looking at the number of suppliers we took into account the number of ratings plus the audits carried out at suppliers not holding OHSAS 18001 certification but who should be in possession of this.

In 2013, we included strategic OHS families in the rating system where, in addition to OHS requirements, we assessed legal and ECO-FIN aspects as well as quality and/or environmental management systems, etc. However, even though the figures for 2013 are lower than for 2012, the scope of the evaluation is wider.

Suppliers rated

	2011	2012	2013
Spain and Portugal	820	935	521
Latin America	673	957	279
Global	n/a	n/a	850
Total	1,493	1,892	1,650

Chile

In Chile, we demand that all contractor employees receive training. The criteria and minimum requirements are contained in the annual work plan which partners must supply. Training needs are established according to the dangers and risks identified and any other requirements the company must meet. The partner must give priority to all matters which are directly related to the risks associated with their

activity, such as the risk of electric shock, handling materials, working at height, etc.

Brazil

In order to promote safety and become a standard bearer in the area of occupational health and safety in the electricity sector, Endesa Brasil designs policies and requirements for its own employees and contractor staff. These initiatives have been grouped into the *Saber Viver programme* which comprises 12 basic principles intended to promote preventative actions which safeguard workers' lives when carrying out operating or administrative activities.

2.4. The results of a joint effort

ENDESA's commitments to raising awareness of occupational health and safety among its employees and contractors has continued to pay off in recent years.

The total number of minor accidents among contractor employees was 376 in 2013, a 7.39% improvement over 2012.

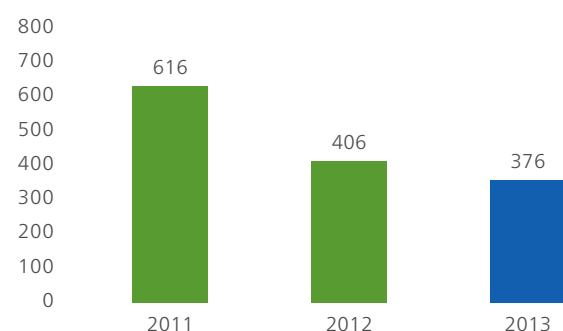
The number of serious accidents fell by 14.29%, to just 12 in 2013 compared to 14 in 2012.

There were seven deaths at contractor companies (two in Spain and five in Latin America).

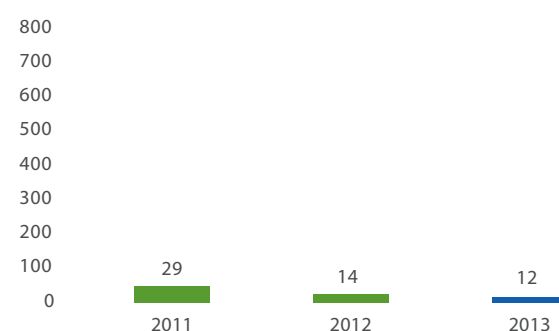
The injury rate for these employees declined in 2013 to 2.86, compared to 3.09 in 2012.

Accident rate for contractor employees

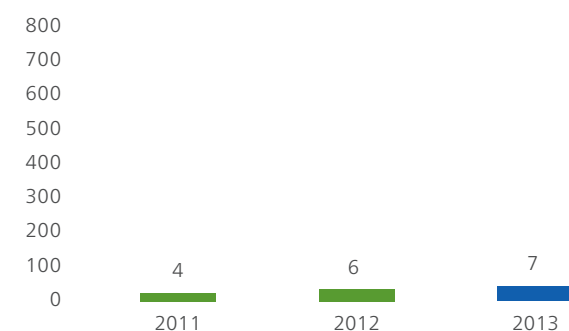
Minor accidents



Serious accidents



Fatal accidents



Frequency rate for accidents involving contractor personnel (days)



3. Commitments to local suppliers

ENDESA aims to create value for local suppliers in the countries and regions where it operates. The number of ENDESA contracts over Euro 1 million decreased by 11.3%, from 512 in 2012 to 454 in 2013. This decline is due to lower consumption in Spain, although it has not affected the number of purchases made from local suppliers. The total value of these contracts decreased by 13.5% compared with 2013 (Euro 2,686 million in 2013 vs. Euro 3,108).

In 2013, ENDESA made Euro 3,603 million in purchases from its 18,821 suppliers

ENDESA worked with 18,821 suppliers in 2013, down 8.3% on the 2012 figure of 20,538. The value of materials and services acquisitions from suppliers declined by 13.6% to Euro 3,603 million.

Number of local suppliers with contracts exceeding Euro 1 million

	2011	2012	2013
Spain and Portugal	387	288	245
Argentina	2	2	7
Chile	37	45	44
Brazil	72	100	67
Peru	24	24	32
Colombia	64	53	59
Other countries (Ireland)	2	3	–
Total	588	515	454

Concentration of purchases from local suppliers*

	Percentage of total purchases from local suppliers with contracts exceeding Euro 1 million as a percentage of total purchases		
	2011	2012	2013
Spain and Portugal	83	79	78
Argentina	51	3	50
Chile	59	68	68
Brazil	76	79	75
Peru	53	66	53
Colombia	85	73	79
Other countries (Ireland)	33	93	–
Total	80	74	75

* Local suppliers are suppliers of materials, products and services located in the same geographic market as the organisation—that is, to which no international payment is made.

Purchases from local suppliers for more than Euro 1 million (Euro thousands)

	2011	2012	2013
Spain and Portugal	2,442,236	1,687,222	1,610,729
Argentina	7,057	3,459	51,890
Chile	138,074	298,498	264,996
Brazil	378,262	518,107	337,867
Peru	76,840	120,943	113,087
Colombia	555,626	338,419	307,485
Other countries (Ireland)	6,535	141,402	–
Total	3,604,629	3,108,049	2,686,054

Number of ENDESA suppliers

	Number of Suppliers			Value of purchases of materials and services from suppliers (thousands of euros)		
	2011	2012	2013	2011	2012	2013
Spain and Portugal	7,256	6,802	6,272	2,954,817	2,148,080	2,058,031
Latin America	13,024	13,736	12,549	1,541,755	1,874,570	1,544,799
Argentina	299	420	550	13,803	136,341	103,848
Chile	3,637	3,543	3,735	234,508	437,784	387,945
Brazil	5,161	4,937	4,709	496,658	653,991	451,306
Peru	2,121	2,055	1,990	144,424	182,406	211,544
Colombia	1,806	2,781	1,565	652,363	464,048	390,155
Other countries (Ireland)	485	395	–	19,822	152,063	–
Total	20,765	20,933	18,821	4,516,394	4,174,713	3,602,829

Value of purchases from ENDESA's main suppliers in 2013

	Value of purchases from 15 largest suppliers (Euro thousands)	Value of purchases from 15 largest suppliers (% of total)	Value of purchases from 50 largest suppliers (Euro thousands)	Value of purchases from 50 largest suppliers (% of total)
Spain and Portugal	529,953	26	1,064,507	52
Latin America	862,687	56	1,175,071	76
Argentina	82,569	80	94,808	91
Chile	222,729	57	284,250	73
Brazil	214,894	48	325,856	72
Peru	114,991	54	162,805	77
Colombia	227,504	58	307,352	79
Total	1,392,640	39	2,239,578	62

4. Foreign-based suppliers

ENDESA aims to create value for local suppliers in the countries in which it operates. Purchases from foreign-based suppliers accounted for 6% of all purchases stemming from contracts for more than Euro 1 million in 2013.

Purchases from foreign-based suppliers accounted for 5.6% of purchases in all countries

Number of foreign-based suppliers in each country

	Number of Suppliers			Value of purchases from foreign-based suppliers with contracts for more than Euro 1 million (Euro million)			Percentage of purchases from local suppliers with contracts exceeding Euro 1 million as a percentage of total purchases		
	2011	2012	2013	2011	2012	2013	2011	2012	2013
Spain and Portugal	21	19	21	110	57	82	4	3	4
Latin America	19	53	50	48	228	120	27	12	8
Argentina	1	4	4	1	119	27	7	88	26
Chile	4	21	14	7	45	22	3	10	6
Brazil	4	8	7	16	25	15	3	4	3
Peru	6	13	19	18	17	43	12	9	20
Colombia	4	7	6	6	22	13	1	5	3
Other countries (Ireland)	0	5	–	0	4	–	0	3	–
Total	40	77	71	158	290	202	3	7	6

5. Corporate responsibility in the coal supply chain (Bettercoal)

In February 2012, Enel and a group of European electrical utilities set up Bettercoal, a global initiative aimed at promoting continuous improvement of corporate responsibility in the coal supply chain. It seeks to include ethical, social and environmental best practices in the coal supply chain to help bring about improvements which benefit employees, communities, the environment and the economic performance of mining companies.

Since its inception, the founding members of Bettercoal have worked on defining a code which they hope will become a globally accepted standard for ethical, socially and environmentally responsible coal mining. Each mine will complete a self-assessment of their alignment with the principles of the Code. These will then be assessed by an independent, third-party assessor qualified by Bettercoal. The objective is to establish improvement plans to narrow any gaps between the Code and current practices identified by the companies and the auditors at the mines themselves.



The Bettercoal Code has been developed with the assistance of an independent group, representing the various stakeholders and comprising experts from society, trade unions and the mining community. It has also been subjected to a global public consultation process which included meetings with stakeholder groups in South Africa, Colombia, Indonesia and Russia, all key coal producing countries.

In July 2013, the Bettercoal Board of Directors approved the Bettercoal Code which covers a series of principles and provisions, including:

- General performance requirements, including management systems;

- Business ethics performance, including disclosure;
- Human and labour rights, social performance, including health and safety;
- Environmental Performance.

ENDESA, as part of Enel, a founding member of Bettercoal, has played an active role from the start, both in defining the Code, policies and governance systems of Bettercoal, as well as implementing the Code at its own mining centres and transmitting the principles to its local coal suppliers who have been excluded from Bettercoal's priority scope of action as this initiative plans to initially focus on major coal exporters to Europe.

ENDESA, as part of Enel, is a founding member of Bettercoal

In this regard, activity in 2013 was intense following the approval of the Bettercoal Code and the implementation of initiatives, with ENDESA, as part of the Enel Group, playing an active role. Milestones and actions in the year include:

- Approval of the Bettercoal Code following the second public consultation phase and the last country consultation (Indonesia).
- Establishment of a supplier database, mines chosen for self-assessment and audit and awareness campaign of the Bettercoal initiative among suppliers.

Bettercoal's profile increased significantly in 2013, with the number of members rising from the initial 7 to 11 plus one associate member. This is particularly relevant given that the association is still only starting out. Also, Bettercoal's presence in various coal and sustainability forums has risen, with ENDESA, as part of the Enel Group, in turn member of the Bettercoal Executive Committee, being particularly active.

In 2013, work continued internally at ENDESA to ensure compliance with its obligations as part of Bettercoal. Therefore, one of the three Puertollano mines operated by Encasur, the ENDESA company in charge of operations there, took part in pilot tests for the self-assessment survey, thereby validating its active commitment with this scheme.

The results of this assessment demonstrate the Company's strict compliance with all the Code's principles and provisions, ratifying the integration of sustainability and its principles in Encasur's strategy and management model.

ENDESA also invited those suppliers with whom it has a commercial relationship to introduce self-assessments and audits at their companies.

ENDESA delivered the Bettercoal Code to 22 suppliers in Colombia

Even though this initiative focuses mainly on exported coal, ENDESA, as part of the Enel Group, understands that its commitment to sustainability must be coherent and exemplary and, as such, has introduced a number of activities to encourage integration of the Bettercoal principles at its own mining activities and at small local suppliers. In this regard, and specifically with regard to local purchases made in Colombia, given its particular relevance for the group, an ad hoc meet-

ing was held with 22 suppliers to raise awareness of the Bettercoal Code and to provide them with a copy of it. The Code was distributed to all suppliers and the initiative explained in detail. The standards were explained one by one and a plan drawn up for 2014, including the following measures:

- Carry out self-assessments;
- Establish a joint training plan for specific issues (Human Rights, the environment, ethics, etc.);
- Propose and define and include new clauses in contracts;
- Emgesa is to establish a general diagnosis audit plan to draw up a short-, medium- and long-term improvement plan for each supplier. The meeting was well attended by suppliers.

Finally, ENDESA also helped disseminate the initiative at various public events.

Activity is set remain intense in 2014 with various actions, including systematically incorporating into purchasing processes consideration of the Bettercoal audit results; extending the Bettercoal pledge to commercial agreements with suppliers; holding training programmes for local suppliers; extending the practice of ensuring local suppliers comply with the principles to other countries such as Chile; as well as participating in general awareness campaigns.





Combating climate change

Responding to the
challenges and
opportunities of climate
change

353.15g of CO₂/kWh in 2013

ENDESA is committed to voluntarily offsetting greenhouse gas emissions

ENDESA and Enel boast a shared portfolio of around 80 CDM projects

ENDESA signs agreements with GM, Seat, Citroën and Mitsubishi to promote electric vehicles

The fight against climate change is one of the main environmental challenges for ENDESA. The Company's strategy responds to this challenge through investments in technology and innovation as part of ENDESA's Sustainability Plan.

Running for six years, ENDESA's Climate Change Programme has established the Company as a benchmark in the fight against climate change thanks to its commitment to renewable energy, energy efficiency and promoting R&D and innovation to curb emissions.

Priority issues – 2013 materiality study	ENDESA'S response in the Sustainability Report
Climate change management responsibilities (senior management, Board of Directors, etc.).	Chapter on Climate Change: 1. ENDESA's contribution to combating climate change.
Commitments and goals to cut greenhouse gas (GHG) emissions.	Chapter on Climate Change: 1. ENDESA's contribution to combating climate change. 1.6. Transparency and efforts to provide information on commitments to tackle climate change.
Assessment of risks related to climate change (integration of physical, regulatory and operational risk).	Chapter on Climate Change: 1. ENDESA's contribution to combating climate change. 1.6.1. Carbon Disclosure Project. 1.6.2. Calculation of ENDESA'S carbon footprint. 1.6.3. Climate change adaptation study at ENDESA'S facilities. 2.1. The international context after the Doha summit. 3. ENDESA's active involvement in national and international bodies and/or initiatives tackling climate change.
Transparency regarding the impact on climate change of the Company's activities.	Chapter on Climate Change: 1.5.4. Adaptation to the new regulatory and market environment.
Transparency in reporting CO ₂ emissions (scope 1, scope 2, scope 3).	Chapter on Climate Change: 2.2. Emissions trading. 2.3.1. CO ₂ emissions.

Challenges in 2013	Actions taken
To be involved with the Entorno Foundation in preparing publications relating to combating climate change.	Despite the Entorno Foundation being wound up, partnerships have been forged with other similar publications such as that of the Empresa y Clima Foundation.
To analyse the 2011 carbon footprint and calculate the 2012 carbon footprint, and to continue to improve the process in line with the requirements of the ISO 14064 standard.	<ul style="list-style-type: none"> Analysis of the 2009-2011 carbon footprint to improve reporting processes and traceability of data reported, in full compliance with ISO 14064. Calculation and verification of the 2012 carbon footprint.
Adaptation: To internally and externally disseminate the "Climate Change Adaptation Study" of ENDESA's facilities and businesses. Possible further actions in this area.	<ul style="list-style-type: none"> Internal dissemination of the "Climate Change Adaptation Study" of ENDESA's facilities and businesses. Drafting of general proposal for launch at the Company.
To develop fast charging for electric vehicles.	Renewal of agreements with electric vehicle manufacturers. Start of the Zem2All project, with over 1 million kilometres travelled in 2013, avoiding the emission of 72 tonnes of CO ₂ .
To continue to implement the sustainable mobility plan.	Improvements and new Enel commercial products and services for e-mobility, especially new fast chargers (FASTO). Highly active role in the commercial market and new demo products across Spain.
To monitor and examine the implications of the proposed EU Alternative Fuels Infrastructure Directive.	Monitoring and expressing views on the draft of the national electric vehicle regulation, especially the ICT-BT 52 standard. Active role in European forums, Euroelectric.

Key figures 2013	
Installed renewable energy capacity	1,995.0 MW
Renewable energy capacity installed in Spain and Portugal	1,907.7 MW
Renewable energy capacity installed in Latin America	87.3 MW
Presence in international organisations tackling climate change	12
Presence in national organisations tackling climate change	9
Joint ENDESA and Enel CDM projects	Approximately 80
Total decrease in CO ₂ through the portfolio of CDM projects by 2020	166 million tonnes of CO ₂

In 2014 we propose
To play an active role in the post-Kyoto carbon market.
To respond to new circumstances in the emissions trading market and regulatory environment resulting from international policies on tackling climate change, and in voluntary markets and pilot markets in Latin America where ENDESA is present.
To continue voluntarily offsetting emissions internally.
Remote management project: To make further headway in the mass rollout and remote operations.
To achieve Aenor accreditation of the corporate carbon footprint pursuant to the ISO 14064-1 standard.
To take part in the CDP Investors 2014, CDP Water 2014 and CDP Supply Chain 2014 initiatives.
To partner with the Empresa y Clima Foundation to release climate change publications.
To calculate and verify the 2013 carbon footprint. To continue improving this process in line with ISO 14064 requirements.
To continue accumulating knowledge on adaptation. Further actions in this connection.
To develop recharging equipment and services not related to electric vehicles.
To market mobility services to individuals, businesses and institutions.
To roll out the measures set forth in ENDESA's sustainable mobility plan for employees, customers and suppliers.
To play an active role in shaping regulations and standards promoting e-mobility in Spain. The EU Alternative Fuels Infrastructure Directive.

1. ENDESA's contribution to combating climate change

ENDESA's commitment to combating climate change is a core part of its management model. In fact, one of the challenges established in the Sustainability Plan is to combat climate change.

The Climate Change Programme focuses on five priority areas for action

In response to this challenge, the Company therefore established a Climate Change Programme focusing on five priority areas:

- Actively participating in the development of renewable energies.
- Spearheading new developments in technology leading to reduced CO₂ emissions and a change in the energy model. This implies developing one of the 12 European carbon capture and storage projects (CCS) by 2015, developing CCGT facilities and installing peak capacity, among other actions.
- Developing opportunities related to energy efficiency and cogeneration in all business areas (generation, distribution and supply).
- Leading the development of a sustainable transport model based on the electric vehicle.
- Developing a portfolio of Clean Development Mechanisms (CDM) and Joint Implementation projects (JI) that reinforce the leadership of Enel's Carbon Strategy Unit in this market, thereby ensuring the emissions of Enel and ENDESA are offset and generating a surplus.

ENDESA's Environment and Sustainable Development Committee is responsible for steering the Company's policy, guidelines and objectives relating to the environment and climate change. However, all the Company's areas and work-

force and all its Sustainability actions, are focused on tackling climate change.

1.1. Active participation in the development of renewable energies

Enel Green Power España, S.L. manages and develops all the renewable energy assets of ENDESA and Enel in Spain and Portugal. ENDESA and Enel Green Power hold stakes of 40% and 60%, respectively. Enel Green Power is controlled solely by Enel and focuses on developing renewable energy around the world.

Enel Green Power España was founded in 2010 following the integration of the renewable assets of Endesa Cogeneración y Renovables, S.A.U in Spain and Portugal and those of Enel Green Power, also in Spain and Portugal.

Enel Green Power España's installed capacity grew 13.5% year on year, while output was up 25%

In 2013, Enel Green Power España boasted total net installed capacity of 1,907.7 MW of renewable power, generating 4,924 GWh.

Endesa Chile operates the Canela (Canela I and Canela II) wind farm complex (78.15 MW), and the Ojos de Agua small hydroelectric plant (9 MW).

ENDESA had total global installed capacity of 1,995 MW in renewable energies in 2013.

Net installed capacity by technology in Spain and Portugal (MW)		
	2012	2013
Small hydroelectric	56.6	42.6
Wind	1,568.1	1,777.6
Solar	13.4	13.4
Biomass	22.7	22.7
Cogeneration	19.7	51.4
Total	1,680.5	1,907.7

Output by technology in Spain and Portugal (GWh)

	2012	2013
Small hydroelectric	109.1	146.3
Wind	3,459.2	4,396.7
Solar	26.2	26.6
Biomass	113.4	114.3
Cogeneration	226.8	240.1
Total	3,934.7	4,924

1.2. Carbon capture and storage

ENDESA continued its work on carbon capture and storage (CCS) throughout 2013:

- Since 2011, ENDESA has been operating Europe's first microalgae cultivation plant for CO₂ capture at the Litoral thermal power station in Almeria. The main objective of this plant is to test new types of photo-bioreactors and microalgae and develop recovery processes for the biomass obtained as a first step towards demonstrating the technical and economic viability of this technology.



Litoral thermal plant (Almeria)

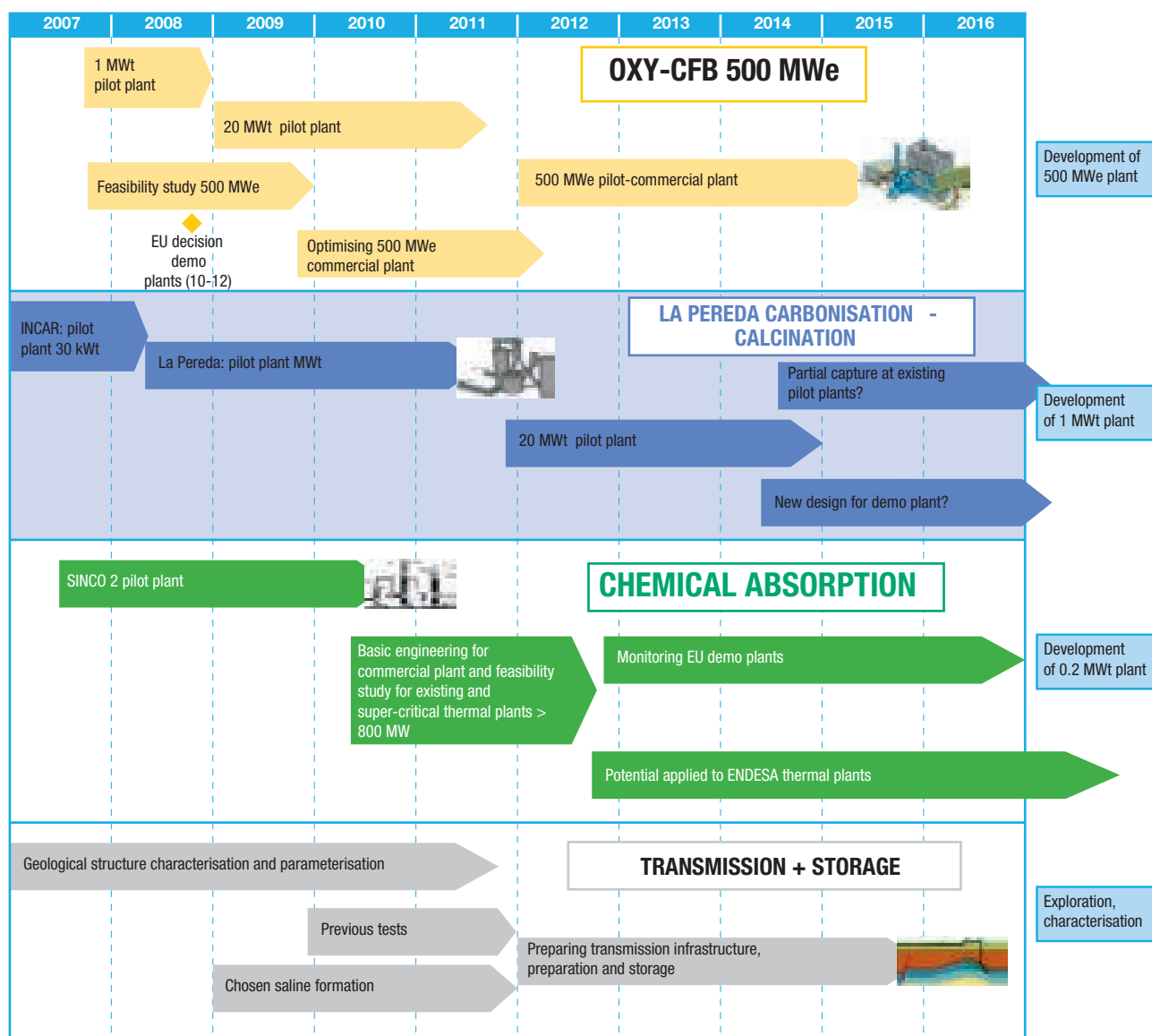
- ENDESA owns the first Spanish plant for CO₂ capture using chemical absorption, namely its Compostilla facility (León). This facility, the first Spanish pilot CO₂ capture plant integrated into a thermal plant, processes 800m³/h of combustion gases, with capacity to capture 3-5 tonnes of CO₂ per day, with 90% efficiency.

- Along with HUNOSA and CSIC, since 2012 ENDESA has been operating a pilot post-combustion CO₂ capture plant using carbonisation-calcination cycles at the La Pereda plant in Mieres (Asturias). This plant, with an installed capacity of 1.7 MWt, is the world's largest pilot plant harnessing this technology and the only one that is part of a thermal plant, using real combustion gases. This technology belongs to the range of next-generation CO₂ capturing technology, which runs more efficiently and at a lower cost.

- Since 2010, ENDESA has been working on the engineering development of a demonstration project for CO₂ capture and storage on a commercial scale, including the technologies for the capture, transportation and storage of CO₂. This is one of the six demonstration projects funded by the European Energy Programme for Recovery (EEPR). The project consists of a 323-MWe supercritical oxy-combustion group for thermal power generation, using circulating fluidised bed (CFB) technology, transportation via a CO₂ pipeline and final CO₂ storage in a deep saline aquifer.

- Since 2006, Endesa Chile and the United Nations Development Programme (UNDP) have made a significant contribution in a number of areas, primarily concerning the development of sustainable, clean and environmentally-friendly electricity generation technologies. To this end, the two conducted the study "*Potential for the development of technologies for capturing and storing carbon emissions from thermal plants in Chile*". This study was carried out to review the current stage of development of these technologies at thermal plants worldwide, analyse the prerequisites and costs of rolling them out, and assess the potential of these technologies in Chile and the application thereof in the energy sector. This study was a first attempt at analysing and determining Chile's current position in this field.

ENDESA strategic CCS projects: 2007-2016



1.3. Energy efficiency for lower CO₂ intensity

The Companies for Energy Efficiency Platform, set up to look for global energy saving solutions, reached its target of avoiding one million tonnes of CO₂ emissions ahead of schedule. The energy saved represents 110% of the platform's 2011-2013 target. The platform's objective, which was promoted by ENDESA in 2011 and includes other companies, is to join forces to achieve greater energy efficiency by promoting more sustainable environmental behaviour. To achieve this objective the platform encourages members

to carry out joint projects involving internal actions such as more efficient lighting, more efficient air-conditioning management, the application of domotics and the use of cogeneration. The platform also supports efficiency in internal production processes with the use of alternative fuels, modernising equipment and optimising processes. The initiative is becoming a standard bearer in Spain for energy efficiency and reducing the country's carbon footprint. That is why, in addition to the specific actions carried out by each company, cooperation agreements between companies are also encouraged to unite synergies and promote research in this matter.

Chilectra received a sustainability award from Chile's Technology Development Corporation (CDT) in recognition of its leadership in rolling out energy efficiency solutions and integrating renewable energies in buildings. This award underlines Chilectra's commitment to sustainable development through the use of products and services under the eco-energy concept in various manufacturing sectors of the economy and in the residential sector. As well as cutting operating costs, the projects help shrink the carbon footprint of these production processes and improve people's quality of life by reducing indoor air pollution.

For further information, see chapter on Innovation, section 2.1. Energy efficiency (pg. 173).

1.4. Leadership in sustainable transport: Promoting the electric vehicle

Within the framework of the Sustainability Plan, which defines a commitment to technological innovation tailored to users' real needs and aimed at nurturing sustainability in society, ENDESA worked throughout 2013 to develop and execute various parallel lines of work, all aimed at developing and boosting e-mobility.

Alongside Enel, ENDESA remains firmly committed to promoting e-mobility as a key tool for combating climate change

The Company has created a structure that has enabled it to develop new charging technology adapted to the way market standards and trends have evolved. Furthermore, it has continued to implement demonstration projects to acquire greater knowledge of both technological developments and how they can be applied in real life.

Enel has developed and installed smart charging infrastructure using the Group's own smart meters, which are now used by millions of its customers across Europe. In addition to offering a basic charging service, the Enel Group's recharging points are connected to the real-time EMMS (Electric Mobility Management System), thus offering users added-value functions.

The Enel Group is also developing its own technological solutions for fast charging electric vehicles, through projects such as the Crave Project to integrate renewable energy generation and battery storage with fast charging.

In Colombia, Codensa commissioned the first charging point for electric taxis in Bogota, providing a recharging service for the 50 electric taxis with municipal permits. Thirty-six charging points at three stations across the city were opened in 2013. At the start of 2013, 10 of the 15 vehicles recently acquired by Codensa were also put into service, transporting personnel between the company's technical management offices, while the remaining five were made available to personnel from sales management and support services.



Also in Colombia, infrastructure was put in place for the E-Bike to Work programme in 2013, which involves lending electric bikes to company employees. Work also continued on the "Evaluation of the technological performance and operating conditions of electric vehicles (EVs) and associated systems for use in Colombia" (EDCO-EVs).

In Chile, Chilectra conducted a project to launch an electric bus service in the future along a public transport corridor connecting the installations of Smartcity Santiago and the Metro network. This experience aims to show that this technology can be used in public transport systems in major Latin American cities.

At the Buenos Aires International Motor Show, Edesur unveiled the first electric vehicle charging point in Argentina, manufactured by Enel, making it the first public service company to promote this technology.

In Brazil meanwhile, Ampla launched an e-mobility programme forming part of the Smartcity Búzios project. Around 100 people attended the unveiling of the electric vehicles that will be deployed in the municipality, comprising 40 bikes, two cars and the first electric taxi using water-based batteries in Latin America.

During this period, EV demonstration and promotion plans were implemented and innovative proposals put forward for the development and management of the necessary infrastructure. Among measures undertaken in 2013, the following were of particular note:

VICTORIA Project

ENDESA and a consortium of four companies and three research bodies rolled out the Victoria Project, an initiative to develop the first dynamic inductive charging system for a bus lane in Spain whereby electric buses will be charged wirelessly while on the move. With a budget of Euro 3.7 million, the Victoria Project will run for 21 months.

The project will be trialled on an electric bus which operates on the city's number 16 bus route, making Malaga the first Spanish city to incorporate sustainable mobility into its urban public transport system.

The system proposed in the Victoria Project will include ground-breaking triple technology: conventional static, static inductive and dynamic inductive charging aimed at doubling the range of electric buses without affecting operating times

One of the city's e-buses will be adapted with triple charging technology to launch the Victoria Project. It can be charged by the conventional method when parked at the bus depot at night (using charging points), and can also be partially charged at a static inductive charging station or when travelling along a bus lane equipped with a dynamic inductive charging system. The last two modes will be carried out using special devices installed along the bus route. The system will begin to operate next December.



This new triple charging system is totally revolutionary in the world, and is also the first real trial of induction charging in Spain.

European e-DASH Project

ENDESA sat on the executive committee in Seville of the innovation e-DASH Project. The e-DASH Project is a European

initiative aimed at the harmonisation of electricity demand in smart grids for sustainable integration of electric vehicles, and involved other sector leaders.

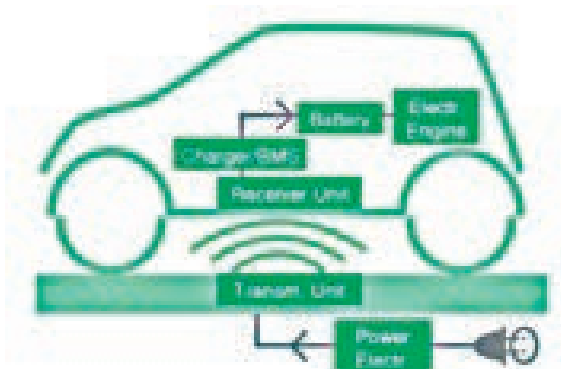
e-DASH uses a smart charging system supported by the real-time exchange of data on charging between electric vehicles and the grid. This enables a large number of EVs to be charged rapidly, irrespective of the manufacturer, at a variable price and involving the two-way flow of energy.

Development of V2G (Vehicle-to-Grid) technologies

In 2013, ENDESA participated in the study and execution of activities related to the integration of electric vehicles in the existing power grid infrastructure. The main actions included the development of Vehicle-to-Grid (V2G) systems and, specifically, the implementation of this technology in Smart-city Malaga.

Fast inductive charging: the UNPLUGGED Project

ENDESA continued work on the UNPLUGGED Project to develop inductive charging solutions for EVs. This international project focuses on the development of a fast inductive charging point, and investigating its use in urban areas.



Fast inductive charging stations allow vehicles to attain an 80% charge in 15-20 minutes

ENDESA and the CIRCE Foundation lead this project, with the backing of the Seventh Framework Programme for Technological Research and Development (FP7). Participating partners include private companies as well as European research centres and universities; cities such as Barcelona and Florence also cooperate.

Completion of the CENIT VERDE Project

ENDESA and representatives from 15 other companies and 14 Spanish research centres who are members of the CENIT VERDE Project held their seventh and last assembly in Barcelona to present the working groups' conclusions. The VERDE Project was one of 18 selected in 2009 by the Ministry of Industry for the CENIT (National Strategic Consortium for Technical Research) programme, comprising the most important Spanish initiative to put forward with research and development of technologies across the entire electric vehicle value chain.

The VERDE Project was launched in September 2009 to look into and accumulate knowledge on the key aspects of manufacturing and commercialising green vehicles in Spain, which enable the country to wean itself off oil for energy generation, cut the transport sector's CO₂ emissions, drive the roll-out of renewable energy generation, and secure the future of the automotive manufacturing and R&D sector in Spain.

Green eMotion

At the beginning of the year, ENDESA hosted a meeting of the Monitoring Committee of the European project Green eMotion, funded by the European Union. The main aim of this project is to create a single framework for rolling out e-mobility across Europe.

The meeting was attended by the project partners including: Siemens, Renault, Nissan, BMW, Alstom, RWE, IBM, SAP, and ENEL and ENDESA.

ENDESA'S role is to determine the physical and functional characteristics of charging points, analyse the integration of EVs in smart grids, maximise the use of renewable energy sources, and develop new e-mobility services and functionalities, targetting its customers.

Green eMotion will help Malaga and Barcelona become true "real-life laboratories" for e-mobility for testing uptake and the behaviour of the first users of e-mobility, as well as the operability and evolution of charging infrastructure and the technologies involved.

For further information, see the chapter on Innovation; section 3.1.5 E-mobility projects (pg. 180).

ENDESA launches first Enel Group fast charging point compatible with all electric vehicles on the market

At the International Electric Vehicle Exhibition held in Barcelona from 18 to 20 November, Enel and ENDESA showcased FASTO (Fast Together): their new fast charging point for electric vehicles. The device can be used to recharge any electric vehicles currently on the market. To do this, FASTO is equipped with the three types of fast-charge connectors available today.



1.4.1. Mobility promotion and showcasing initiatives in real environments

The Company honours the staunch commitment of the entire Enel Group to develop e-mobility as a key way of stepping up the fight against climate change.

ENDESA has rolled out a fast-charging network comprising eleven charging stations in Spain and three in Latin America

Work has continued throughout 2013 on the demo projects in Latin America, primarily involving public transport.

Agreements signed with manufacturers have helped to grow and develop e-mobility among the most significant demonstrative projects, such as Zem2All in the city of Malaga and Green eMotion in Barcelona.

Likewise, ENDESA has played an active role in the Movele Plan, under which the Ministry of Industry, Tourism and Trade plans to install 550 charging points in Madrid, Barcelona and Seville. ENDESA is the only company to have been involved in the project in all three cities.

ENDESA is the only company to have been involved in the Movele Plan in Madrid, Barcelona and Seville

The Movele Plan has involved introducing various categories of electric vehicles with different features and technologies in urban areas, along with normal charging points at these locations.

In 2013, ENDESA added to its fleet of EVs and installed numerous charging points for end customers.

ENDESA also launched new e-mobility products during the year, which are especially designed for public authorities, such as the Mobility Pack. This end-to-end solution involves EVs, charging infrastructure and the maintenance thereof, in addition to value-added fleet management services. The product meets the needs and commitments of public authorities to replace their fleets with electric vehicles in order to fulfil the Mayors' Pact and emission reduction and energy efficiency initiatives. The first contract was awarded by A Coruña City Council for seven Mobility Packs.

ENDESA has launched the *Mobility Pack*: an end-to-end e-mobility service solution for public authorities

Zem2All (Zero Emissions Mobility to All) Project

In May 2012, the Zem2All Project was launched. This is a real-life e-mobility demonstration project that is a benchmark worldwide, involving the joint cooperation of Japanese and Spanish companies under a bilateral agreement between Japan and Spain (JSIP, Japan Spain Innovation Programme). On the Spanish side, the project is headed by ENDESA, while the Japanese side of the consortium is led by Mitsubishi Corporation.

The four-year Zem2All Project has a budget of Euro 60 million. The Spanish contingent working on the project is led by ENDESA and involves the participation of Telefónica and Ayesa. Mitsubishi Heavy Industries leads the Japanese part of the project, alongside its partners Mitsubishi Corporation and Hitachi

Zem2All (Zero Emissions Mobility to All), which is working towards the mass rollout of e-mobility becoming a reality, has celebrated its first year with the 160 e-vehicles involved in the programme travelling more than one million kilometres. Conventional combustion-engine vehicles travelling the same distance would have emitted 72 million tonnes of CO₂ into the atmosphere; equivalent to that produced per annum by 10 households in Spain. Users recharged their vehicles over 25,000 times at the charging points in order to cover this distance.



As well as major technological developments based mainly on vehicle-to-vehicle communication, charging infrastructure and the electricity grid, tests are being performed on the ground involving 200 EV users over a three-year period. Meanwhile, the largest charging point network in Spain has been deployed: 23 points developed by Mitsubishi Heavy Industries and Hitachi at nine locations, allowing batteries to be 80%-charged in less than 30 minutes, thereby increasing vehicle autonomy.

Six two-way chargers have also been installed by ENDESA in the world's largest V2G (Vehicle-to-Grid) initiative. These points allow vehicles to take power from the grid and also return power to the grid at times of peak demand to cover other needs.

All the charging infrastructure is connected to a specific control centre, and thanks to this interconnection, users will have useful real-time information on aspects aimed at making moving around the city that much easier and more efficient; for example, the whereabouts of the nearest re-

H.R.H. the Prince of Asturias inaugurates the Zem2All sustainable mobility project's information and control centre

On 25 April, H.R.H. the Prince of Asturias opened the information and control centre of the Zem2All sustainable mobility project. This pioneering pilot project aims to achieve widespread access to e-mobility.

The city of Malaga was chosen for this initiative. Smartcity Malaga is headed by ENDESA and is a world pioneer in the management of smart cities. The use of electric vehicles in this city will provide comprehensive information on the impact of these vehicles, and an idea of the requirements for the large-scale implementation of electric vehicles in society.



charging point and the best route to reach it. Similarly, mobile phone apps will be developed and introduced enabling users to manage and receive information about the car and recharging.

At the end of 2013, all 160 participants who signed up for the Zem2All Project had taken delivery of their electric vehicle and a conventional Endesa charging point had been installed at their homes or places of work.

After its first year, Zem2All scored well in participant satisfaction surveys: 98.6% are satisfied or very satisfied, while 97.5% of interviewees say that it has equalled or exceeded their initial expectations, and 99% would recommend taking part.

The project was also ranked among the 100 best ideas by *Actualidad Económica* magazine.

For further information, see the chapter on Innovation; section 3.1.5 E-mobility projects (pg. 180).

Projects on La Gomera and El Hierro

In August 2013, ENDESA participated in the unveiling of the first public charging point for EVs on the island of La Gomera. This new charging point forms part of the pilot scheme being developed by ENDESA and aims to provide widespread access to e-mobility.

It is intended that the rollout of charging points across the Canary Islands will contribute to the islands' image of being clean, environmentally friendly and sustainable

The Sustainable Island Project on El Hierro has seen ENDESA partnering with the Canary Islands Regional Government and Renault-Nissan on the e-Mobility Plan to replace vehicles used on the island for electric models. The plan covers the entire public fleet on the island. All of this, combined with the hydro plant project, which is in the launch phase, will help achieve the great challenge of "El Hierro, 100% renewable energy".

e-Mobility proposal for EV users

ENDESA boasts an added-value proposal among its range of products and services in the form of e-mobility, which is segmented according to customer type: residential or business. Accordingly, as well as providing expert advice, ENDESA offers end-to-end solutions spanning all the necessary infrastructure and services.

ENDESA offers a green tariff, especially designed for e-mobility

A special green tariff is available to EV users, offering three time slots that allow users to charge their vehicles with evident financial benefits. The electricity supplied is certified as having been generated using only renewable sources.

ENDESA has set up specific customer service channels for e-mobility

ENDESA has set up specific customer service channels for e-mobility. In this connection, as well as its e-mobility helpline, the Company has a website (www.endesavehiculoelectrico.com) where users can see exactly what ENDESA is doing in the market, consult its product catalogue, discover the financial and environmental benefits of e-mobility, and examine the government subsidies available.

1.5. Participation in Clean Development Mechanisms and Joint Implementation and voluntary projects

Flexible mechanisms to reduce emissions based on projects, known as Clean Development Mechanisms (CDMs) and Joint Implementation (JI) projects, represent a significant component of ENDESA's climate change strategy.

ENDESA's bid to curb climate change extends to two of its own voluntary emissions reduction projects (Canela I awarded a Gold Standard, and Ventanilla which is VER+ compliant).

ENDESA's activity to identify and develop CDM and JI is conducted under the auspices of Enel's Carbon Strategy Unit.

Despite the crisis affecting emissions trading, the Carbon Strategy Unit has allowed ENDESA and Enel to remain at the forefront of the emissions market.

1.5.1. CDM/JI portfolio

At the close of 2013, ENDESA and the Enel-Group boasted a combined Certified Emission Reductions (CERs) and Emission Reduction Units (ERUs) portfolio of close to 80 CDM projects, which will cut CO₂ emissions by approximately 166 million tonnes by 2020.

In 2013, ENDESA availed of flexible mechanisms to avoid the emission of over 8 million tonnes of CO₂, which combined with prior years' emission reductions, bring the total to approximately 66 million tonnes of carbon dioxide.

With 8 million tonnes avoided in 2013, ENDESA has curbed the emission of 66 million tonnes of CO₂ into the atmosphere

1.5.2. ENDESA proprietary projects

ENDESA has devised a strategy to identify and unlock the value of all the projects in its Expansion Plan which could be considered to be Clean Development Mechanism (CDM) projects or comply with one of the standards of the voluntary cap-and-trade market.

The status of the GHG emission reduction projects of ENDESA subsidiaries in Latin America was as follows in 2013:

Chile

Three projects registered with the United Nations under the Clean Development Mechanism (CDM):

- Ojos de Agua small hydro plant offering potential emission savings of 20,870 tCO₂/year.
- Canela I wind farm offering potential emission savings of 27,251 tCO₂/year.

- Canela II wind farm, registered with the United Nations on 13 August 2012, offering potential emission savings of 89,990 tCO₂/year.

A project registered in the voluntary market:

- Canela I wind farm, registered as a Gold Standard (GS) project on 8 August 2013, offering potential emission savings of 27,251 tCO₂/year.

Peru

Two projects registered with the United Nations under the Clean Development Mechanism (CDM):

- Closure of the CCGT at the Ventanilla gas-fired plant, offering potential emissions savings of 407,296 tCO₂/year.

- Repowering of the Callahuanca hydro plant, offering potential emissions savings of 18,189 tCO₂/year.

In the voluntary market, on 31 October 2013, Aenor certified 2,496,494 tCO₂ of the Ventanilla project as compliant with the VER+ standard of the German company TÜV SÜD; one of the leading providers of validation and verification services for CDM and JI projects in accordance with the Kyoto Protocol.

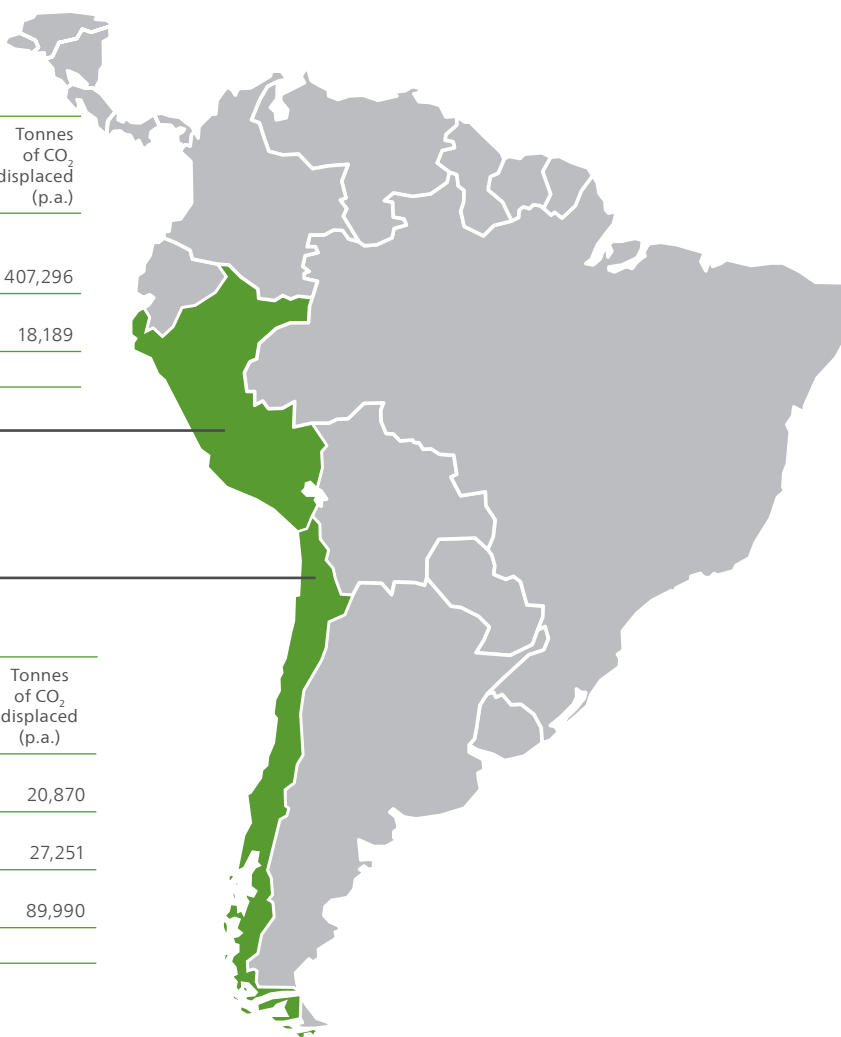
These savings were achieved between 19 October 2006 and 19 June 2011, corresponding to the period during which the plant was in operation prior to the project being registered with the United Nations.

Peru

Project	Technology	CDM status	Start-up	Tonnes of CO ₂ displaced (p.a.)
Ventanilla	Combined cycle (490 MW)	Registered (2011)	Operating (2006)	407,296
Callahuanca	Hydro (82.5 MW)	Registered (2008)	Operating (2006)	18,189
Total		425,485 tonnes of CO₂/year		

Chile

Project	Technology	CDM status	Start-up	Tonnes of CO ₂ displaced (p.a.)
Ojos de Agua	Hydro (9 MW)	Registered (2007)	Operating (2008)	20,870
Canela I	Wind (18.5 MW)	Registered (2009)	Operating (2007)	27,251
Canela II	Wind (60 MW)	Registered (2012)	Operating (2010)	89,990
Total		138,111 tonnes of CO₂/year		



1.5.3. Carbon funds

In addition to developing or participating in CDM projects, ENDESA continues to participate in three carbon funds. The most noteworthy are those managed by the World Bank, such as: the Community Development Carbon Fund (CDCF), the Spanish Carbon Fund (SCF) and the Carbon Partnership Facility (CPF).

1.5.4. Adaptation to the new regulatory and market environment

2013 was a very tough year for carbon markets due to surplus supply, the drop in prices, and political uncertainty both in the European Union and worldwide.

The end of the first period of the Kyoto Protocol (2008-2012) disrupted the carbon markets in 2013, leading to a fall in activity in the compliance market.

During 2013, the European Commission continued to debate the application of short- and long-term regulatory measures relating to the EU Emissions Trading System (EU ETS) to redress the balance between system supply and demand, in order to achieve a carbon price that stimulates investment in low-carbon projects.

In 2014, the Enel Group and ENDESA aim to unlock the value of their accrued experience and optimise the portfolio, including in other CO₂ trading markets especially in emerging markets in developing countries.

Renewal of the Kyoto Protocol for a second commitment period also guarantees the future of the Clean Development Mechanism (CDM), which provides financing for emission reduction programmes, such as renewable energy projects in developing countries.

The ENDESA-Enel Group remains one of the main market players and is actively involved in climate change talks, helping the ongoing operation of the carbon market in the Eu-

ropean Union, and working to reach a global agreement on emissions reduction goals in the long term.

1.5.5. Voluntary offsetting of GHG emissions

During 2013, ENDESA completed the process of voluntarily offsetting the greenhouse gas emissions of four in-house events.

The reductions in CO₂ emissions were compliant with TÜV SÜD's VER+ standard and relate to the Carhuaquero IV hydroelectric project. This comprises a small, run-of-the-river hydro plant with 9.7 MW capacity in Peru.

During 2013, ENDESA offset emissions of four events totalling 1,055 tCO₂

In 2013, the process to offset GHG emissions of the "Campus Liga Endesa" event running from 1 to 7 September 2013 began, using VER+ credits from the Ventanilla project (EDEGEL, Peru), and amounting to 5 tonnes of CO₂.

Pursuant to the Enel Group's policy, ENDESA aims to continue voluntarily offsetting GHG emissions of in-house events during 2014.

1.6. Transparency and efforts to disclose information on its commitment to tackle climate change

1.6.1. Carbon Disclosure Project

ENDESA is taking part in three initiatives under the auspices of the Carbon Disclosure Project (CDP): an independent non-profit body working to achieve a reduction in GHG emissions and the sustainable use of water by businesses and cities. These initiatives are: CDP Investors, CDP Supply Chain and CDP Water.

In the CDP Global 500 Climate Change Report 2013, ENDESA ranked fourth among electric utilities in the Carbon Disclosure Leadership Index (CDLI), achieving a score of 98 out of 100, six points higher than the previous year

ENDESA is one of the leading players worldwide in the fight against climate change. This is reflected in the latest report published by the Carbon Disclosure Project (CDP), the most widely respected index in matters relating to climate change that provides global information on identified risks and opportunities, plans to curb emissions, and on the transparency of corporate conduct aimed at mitigating climate change.

In the CDP Global 500 Climate Change Report 2013, ENDESA featured as the fourth electric utility in the Carbon Disclosure Leadership Index (CDLI), obtaining a score of 98 out of 100; a six-point improvement on its score a year earlier.

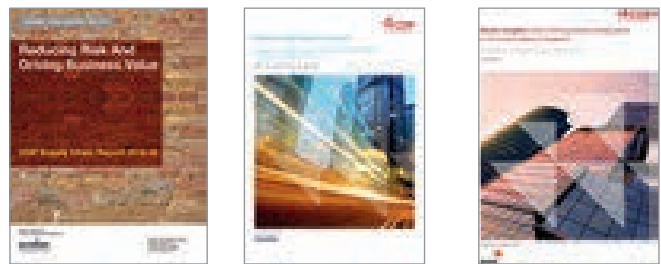
The Company's position in this index has improved notably since its launch 11 years ago, with the Company achieving a 33-point increase overall. This improvement is the result of the rollout and consolidation of climate change-related projects to fulfil a commitment that has been further strengthened through the ENDESA Sustainability Plan.

The overall position of ENDESA is determined by two CDP indexes. The first, the Carbon Disclosure Leadership Index (CDLI), underscores ENDESA's leadership in terms of the quality and clarity of the disclosures on its targets and action to combat climate change, and the transparency of the data it publishes on carbon emissions.

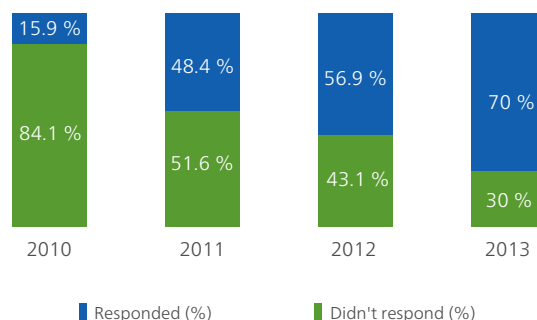
The second is the Carbon Performance Leadership Index (CPLI), in which ENDESA is ranked in Band B (last year it was in Band C). This improvement is mainly due to the milestone reached by the Company in 2012 in determining its carbon

footprint on verifying its direct (Scope 1) and indirect (Scope 2 and 3) emissions.

ENDESA also participates in two other CDP initiatives: the Supply Chain CDP and the Water CDP. ENDESA has required its suppliers to complete the CDP Supply Chain survey since 2010. It was underlined this year that suppliers are increasingly involved in helping the Company to tackle climate change, as reflected in the response rate of over 70% in the last year, which is a clear improvement on prior years. This was also the fourth consecutive year as a signatory of the CDP Water Disclosure Project to analyse and provide data on water usage and management by major corporations around the world.



CDP Supply Chain responses



1.6.2. Calculating ENDESA's carbon footprint

After calculating its carbon footprint for the period 2009-2011 and rolling out a carbon footprint management system at corporate level in accordance with ISO 14064, ENDESA obtained certification that these results had been calculated in compliance with the ISO 14064 standard.



Andrea Brentan receives accreditation certificate for the Company's 2009-2011 carbon footprint from Aenor

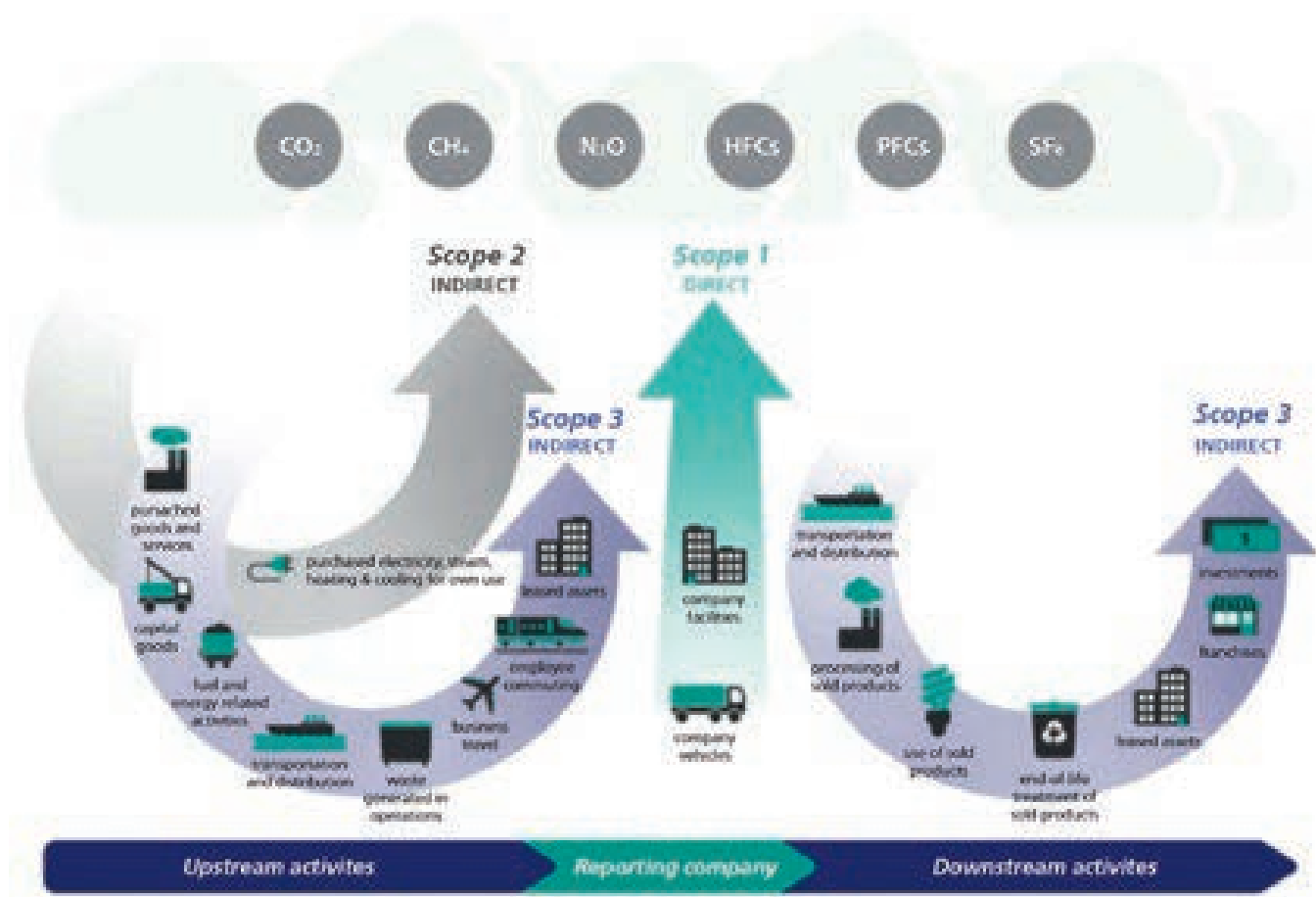
In 2013, it also calculated its carbon footprint in 2012, obtaining accreditation from Aenor that the results complied with the requirements of ISO 14064.

This decision was the next step to continue consolidating and furthering ENDESA's considerable efforts to compile an

inventory of its GHG emissions from the widest possible perspective, extending this to the whole lifecycle of each of the Company's assets, businesses and locations, and including both direct and indirect emissions which, though not generated by sources controlled by the Company, do derive from its activities.

The move is aimed at ensuring the credibility, consistency and transparency of its carbon footprint and establishing a robust GHG monitoring system. This will help it to manage risks related to GHGs and to identify opportunities to reduce them.

The process of calculating the carbon footprint is ongoing and must be updated year after year based on business activity and the sources of information available. The carbon footprint project is also ambitious, in that it aims to exhaustively analyse in as accurate a way as possible the emissions associated with the entire life cycle of the Company's processes. Continuous improvements therefore need to be



Overview of the scope of the emissions and greenhouse gas protocols across the value chain

made every year to boost the level of detail and accuracy of the Company's GHG emissions inventory, allowing it to have a clearer picture of which activities contribute the most to ENDESA'S emissions.

As part of this effort to continually enhance the process, carbon footprint calculations were enriched in 2012 to cover a greater number of processes and use the latest data and methodologies available. Differences in the calculations compared to prior years are as follows:

- Increased inventory of chemical products based on consumption in 2012.
- Greater number of waste products according to volume generated in 2012.
- Inclusion in Scope 3 of waste from the Distribution, Wind Farm and Office business units.
- Review of countries supplying the following fuels: coal, uranium, natural gas and fuel-oil.

1.6.3. ENDESA's adaptation efforts

The Climate Change Management-Adaptation Report was published in 2013.

As a company that is firmly committed to combating climate change and, in particular, reducing greenhouse gas emissions, ENDESA has decided to integrate adaptation, not only as an element of its environmental policy, but as a weighty

component in corporate decision-making, through an internal adaptation project.

This project is aimed at assessing internal vulnerability to pinpoint and prioritise those climate factors that could potentially pose a risk to the Company's business activities, and to gauge the benefits and opportunities, considering both the future planning of its markets (in terms of climate change and energy), and those international mechanisms designed to promote adaptation projects within the energy sector, with a special focus on financial projects.



As a result of these efforts, a road map has been designed to enable ENDESA to adapt to climate change, as the final outcome of prior analysis, focusing on the Company's internal vulnerability to the impacts of climate change and identifying the potential benefits and business opportunities linked to adaptation.

2. Institutional allies in combating climate change

2.1. The international backdrop after the Warsaw summit

From 11 to 23 November 2013, Warsaw (Poland) hosted the 19th session of the Conference of the Parties (COP19) of the United Nations Framework Convention on Climate Change (UNFCCC), and the 9th Meeting of the Parties (CMP9) of the Kyoto Protocol.

Some 8,500 delegates attended the Conference.

The goals of COP19 were shaped by the outcomes of the Doha Conference in 2012 where a calendar for negotiating the new climate regime beyond 2020 was drawn up within the framework of the Durban Platform. The foundations were also laid for implementing the second commitment period of the Kyoto Protocol.

A schedule was put in place to move towards adoption in 2015 of a new legally-binding international agreement for all parties, coming into force in 2015. The Doha calendar established that the main elements of the text for the talks that will provide the backbone of the new Agreement to be adopted at the Paris Conference would be ready by the end of 2014.

It was agreed at the Warsaw Conference to speed up work on the 2015 agreement, which will come into force in 2020, and raise ambitions to cut emissions over the rest of this decade. Decisions adopted at this conference included a clear road map for member nations to prepare their contributions to curb or reduce emissions under the 2015 agreement, with a view to keeping global warming below 2°C.

National contributions must be submitted during the first quarter of 2015, sufficiently ahead of the Paris Conference. The information member nations will be required to include in their national contributions in order to explain them will be determined at the forthcoming United Nations Climate Change Conference in Lima, Peru, next year.

The decisions also included a series of measures to speed up activities to raise pre-2020 targets.

An additional matter of vital importance to the talks concerned finance, which will be covered in a High-level Ministerial Dialogue on Climate Finance, and adaptation and the programme of work on the losses and damages caused by climate change.

The Warsaw Conference wrapped up with 195 member nations signing a text on tackling climate change, paving the way to the signing in Paris of a binding agreement on climate change measures in 2015.

Looking forward to 2014, member nations decided to start and intensify work on drawing up their national contributions to reach an agreement, which will come into effect in 2020. The decision included a clear road map for them to prepare their contributions to curb or reduce emissions under the 2015 agreement, with a view to keeping global warming below 2°C.

Parties will present clear and transparent plans in the first quarter of 2015, sufficiently ahead of COP21 in Paris.

Member nations also agreed to close the pre-2020 ambition gap (higher targets before then) through more technical work and the greater commitment of Ministers.

The main decisions taken at this conference included moving forward with work on the Durban Platform, the Green Climate Fund and long-term finance, the Warsaw Framework for REDD Plus, and the Warsaw International Mechanism for Loss and Damage.

On finance, the member nations clarified certain matters relating to mobilising funds to support developing nations' efforts to cut their emissions and adapt to climate change. This included calling on developed nations to present twice a year their updated strategies and approaches to boost funding between 2014 and 2020.

Meanwhile, the Green Climate Fund Board resolved to start the process of mobilising funds as soon as possible. In Warsaw, developed nations were called upon to raise their ambitions and contributions between now and COP20 in December 2014, to ensure the Fund is launched effectively.

The Warsaw International Mechanism for Loss and Damage (a new body established at COP19) is designed to provide the most vulnerable populations with better protection against losses and damages caused by extreme weather events and gradual changes such as rising sea levels. 2014 will see the start of work on specific aspects of the Warsaw International Mechanism for Loss and Damage.

The aims of this Mechanism include facilitating coordination and the exchange of experiences and knowledge in this crucial area for the most vulnerable nations. The Mechanism's performance will be reviewed in 2016.

No formal decision was taken at COP19 on market mechanisms reflecting the progress made on the New Market Mechanisms or the Framework for Various Approaches (FVA); mitigation measures that do not follow UN rules but enable UNFCCC emission target commitments to be fulfilled, or on the Non-market approaches (NMA).

No headway was made except with regard to the Clean Development Mechanism (CDM) and certain technical aspects of the Joint Implementation (JI) Mechanism. Pursuant to the mandate to review existing categories and procedures, the CDM has made progress in improving its fit in the future climate regime. Joint Implementation,

meanwhile, will continue until the amendments to the second commitment period of the Kyoto Protocol come into force.

These developments are further reason for ENDESA to continue working to curb climate change.

2.2. Emissions trading

ENDESA is currently active on the main European wholesale emissions markets (NordPool, Powernext and ECX) and is a registered member of emission rights registries in Denmark, France and Spain (RENADE) with a view to optimising its emission rights trading strategies.

Until 2012, the European framework was governed by the Kyoto Protocol implemented in 2008 alongside the second phase of trading of emissions rights. The European emissions trading scheme is articulated in National Allocation Plans (NAPs).

Phase III of the Emissions Trading System (EU ETS) commenced in 2013. Power generation companies will no longer be entitled to any free emission rights, which will instead be allocated through auctions, representing a significant additional cost to companies. During this phase, it will not be possible to use certain carbon credits (HFC-23 and N₂O adipic acid).

2.2.1. CO₂ emissions

ENDESA's carbon emissions fell from 695g of CO₂/kWh in 1990 to 353,15 g of CO₂/kWh in 2013; a 49.18% reduction.

For many years, the calculation methods set forth in European legislation (directives, commission decisions) have been used in Latin America, in order to standardise criteria across



Arias Cañete at the plenary session of COP19 in Warsaw

the Company (European and American facilities). These methods are defined in procedures forming part of the environmental management systems of facilities and are audited internally and independently.

ENDESA has driven down its carbon emissions by 49.18% since 1990

The Company's total emissions at the end of 2013 were 29.22 million tonnes CO₂ in Spain and Portugal, 16.35 million tonnes in Latin America, and 0.3 million tonnes in other countries.

ENDESA's total emissions in 2013 amounted to 29.22 million tonnes in Spain and 16 million tonnes in Latin America

In 2013, thermal energy generation in Spain and Portugal fell by close to 24%, triggering a decrease of around 23% in outright CO₂ emissions. The drop in thermal output was distributed unevenly between the various technologies: a 24.4% fall in output at coal-fired plants, a 29.0% reduction in CCGT output and a 9.7% drop in fuel-gas plant output.

Evaluation of ENDESA's specific emissions (kgCO₂/kWh)

	2011	2012	2013	% change 2012/2013
Spain and Portugal	0.48	0.49	0.44	-10.30
Argentina	0.43	0.41	0.43	4.8
Chile	0.23	0.24	0.30	25
Peru	0.22	0.21	0.18	-14.3
Colombia	0.04	0.04	0.08	100
Brazil	0.09	0.09	0.17	88.8
Latin America	0.23	0.22	0.26	18.18
Morocco	0.37	0.39	0.38	-0.72
Other countries	0.43	0.39	0.38	-0.72
ENDESA	0.37	0.37	0.35	-5.4

ENDESA emissions in absolute terms (ktCO₂)

	2011	2012	2013	% change 2012/2013
Spain and Portugal	35,895	37,858	29,216	-22.83
Argentina	6,950	6,171	6,834	10.74
Chile	4,598	4,819	6,033	25.19
Peru	2,125	1,953	1,571	-19.55
Colombia	425	568	1,030	81.33
Brazil	358	491	886	80.44
Latin America	14,456	14,002	16,354	16.79
Ireland	70	–	–	–
Morocco	274	361	326	-9.47
Other countries	343	361	326	-9.47
ENDESA	50,695	52,161	45,896	-12.01

3. ENDESA's active involvement in national and international bodies and/or initiatives tackling climate change

National bodies

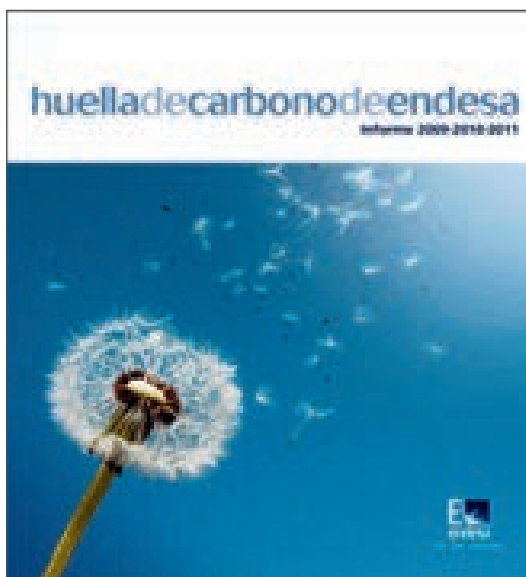
- Spanish Technology Platform for Energy Efficiency (PTE-EE): this body aims to pursue technological innovation for energy efficiency, generating new solutions by promoting research and development into new techniques, products and services that contribute to reducing energy demand through energy efficiency.
- Spanish Future Electrical Grid Platform (FUTURED): this body strives to bring together all parties in the electricity sector to define and promote strategies at the domestic level to achieve a much more advanced grid that can meet the challenges of the future.
- Founding member of the Spanish CO₂ Association.



- Aenor Technical Standards Committee for Climate Change and Renewable Energies.
- UNESA (Spanish Association for the Electricity Industry) Working Group on Climate Change.
- Strategic National Consortium for Technical Research on CO₂ (CENIT CO₂). The CENIT CO₂ Project ended on 31 March 2010.
- Founding member and member of the management board of the Spanish Hydrogen Association together with another 33 companies, 17 research centres and different public bodies.
- Entorno Foundation's Climate Change and Energy Working Group. Member of the Action CO₂ and R&D + Innovation and Climate Change initiative.
- Environment and Climate Change working group of the Excellence in Sustainability Club.
- Andalusia System for Emissions Offsetting (SACE): ENDESA is registered in this voluntary system, signalling a commitment to improving the energy and environmental management of the building that houses its registered offices in Andalusia, located in Seville, by carrying out energy audits, reducing consumption and offsetting greenhouse gas emissions.

Climate change publications

- REPORT: *ENDESA Carbon Footprint, 2009, 2010 and 2011.*
- *Adaptation Report, managing climate change.*



International bodies

- Carbon Disclosure Project: participation in the annual CDP survey of this programme that is committed to the transparency of companies in relation to climate change.
- CDP Supply Chain: the aim of this programme is to raise awareness of the carbon footprint of organisations and climate change-related risks and opportunities through the supply chain (suppliers), thereby promoting climate change action.
- Eurelectric (European Electricity Industry Association): involved in the Climate Change Working Group and flexible mechanisms sub-group; in the Economy and Environment Working Group; in the CO₂ Capture and Storage (CCS) Task Force; and in the EU ETS Task Force.



- Attendance at the Carbon Expo.



- Member of the Advisory Board and several working groups within the European Zero Emissions technology platform (ZEP).



- Founding member of IETA (International Emissions Trading Association). ENDESA participates in several of its working groups, including the European emissions trading and CO₂ storage working groups.



- Represented by the Spanish Electricity Industry Association (UNESA) in the Environmental Working Group of the CIER (Regional Commission for Electricity Integration) which brings together most power utilities in Latin America and the Caribbean.
- Participation in the R&D projects of the FP7 on capture and storage of CO₂: Dynamis, Cachet, C3-Capture, Geocapacity, Nanoglows and FlexyBurn, CaOling.
- Member of the European CO₂NET network performing studies into the capture and storage of CO₂.



- Energy and Climate Change Working Group of the European Round Table of Industrialists (ERT) Eurocoal.
- A member of the UN Global Compact's Caring for Climate initiative, UNEP and WBCSD.
- ENDESA Eco (Chile) is a member of the governing body of the Renewable Energies Centre, a project to establish an agency for the promotion of CDM projects, and the Biogas Network public-private committee coordinated by Pontificia Universidad Católica de Valparaíso.





Strengthening ties with local communities

Strengthening ties with local communities and the Company's legitimacy in the areas where it operates

Euro **43** million
invested in social
development in 2013
according to LBG
methodology

2.3% of the
Company's net profit
invested in Social
Initiatives

71% of the
social action
budget invested in
Latin America

552 social action
projects carried out
in 2013

ENDESA aspires to be seen as involved in the social concerns of the countries and regions where it operates and as an indispensable partner in their economic, social and environmental progress.

ENDESA's Sustainability Plan upholds the spirit of commitment to sustainable development and a new perspective of the contribution this makes to value creation in the Group. ENDESA is strengthening its commitment to social concerns, contributing to the social and economic development of communities in all the regions in which it operates. In 2013, as part of the process of alignment and integration with Enel Group guidelines, the Company updated the framework of its social action projects. These projects are considered a strategic line that strengthens social inclusion, minimises risks, enhances its reputation, brings stakeholders closer to the Company and meets their demands.

Priority issues – 2013 materiality study	ENDESA'S response in the Sustainability Report
Fostering local economic and social development (including access to energy for disadvantaged communities).	See Chapter on Strengthening ties with local communities: 2. Social initiatives, value generation and contribution to society. 3.1. Access to energy.
Active management of community relations.	ENDESA, a leading group in the global electricity market: 7.1. Engagement with communities involved in the El Quimbo project 7.2. Neltume Hydroelectric Project See Chapter on Strengthening ties with local communities: 1. Strengthening ties with communities.
Corporate social action/philanthropy strategy (alignment of social action activities with strategic priorities).	See Chapter on Strengthening ties with local communities: 1. Strengthening ties with communities. 2. Social initiatives, value generation and contribution to society. 3. Social initiatives.
Measuring and reporting social impact.	See Chapter on Strengthening ties with local communities: 2.3. ENDESA's investment in social development
Public commitment to Human Rights (policy, adoption of relevant standards, responsibilities, training, management systems, coverage, etc).	See Chapter on ENDESA, a leading group in the global electricity market: 5. Compliance with international standards for sustainable management. See Chapter on People: 5. Training at ENDESA See Chapter on Strengthening ties with local communities: 2.1. Contribution to social development. 3. Social initiatives.
Positioning in Corporate Volunteer initiatives.	See Chapter on Strengthening ties with local communities: 3.5. Corporate Volunteer Programme

Challenges in 2013	Actions taken
Boosting sustainability in all countries and territories where ENDESA operates	Expanding the 2008-2012 Sustainability Plan to align ENDESA's sustainability policy with the Enel Group's Sustainability Plan. Monitoring of objectives and local implementation.
Increasing the number of beneficiaries of Enabling Electricity projects.	Meeting the 2 million beneficiaries target for 2014 ahead of time.
Making sure that at least 50% of social action projects remain aligned with the business.	50% of investment in social initiatives aimed at projects aligned with the business.
Increasing volunteering and employee participation in social action projects.	In 2013, 114,541 hours of ENDESA employees' time (corresponding to 67 full time employees) was dedicated to 552 social action projects. 618 corporate volunteer actions were also undertaken in this period.

Main social initiatives in 2010-2013				
	2010	2011	2012	2013
Investment in Spain and Portugal	32%	24%	38%	29%
Investment in Latin America	68%	76%	62%	71%
Investment in rural electrification (Euro million)	3.9	5.9	9	8.7

Breakdown of investment in social initiatives - 2013	
Investment in energy access projects	34%
Investment in education and training projects	24%
Investment in projects to promote social development and a better quality of life	35%
Investment in environmental and biodiversity projects	7%

In 2014, we propose	
To boost sustainability in all countries and territories where ENDESA operates	
To increase the number of beneficiaries of Enabling Electricity projects	
To increasing volunteering and employee participation in social action projects	

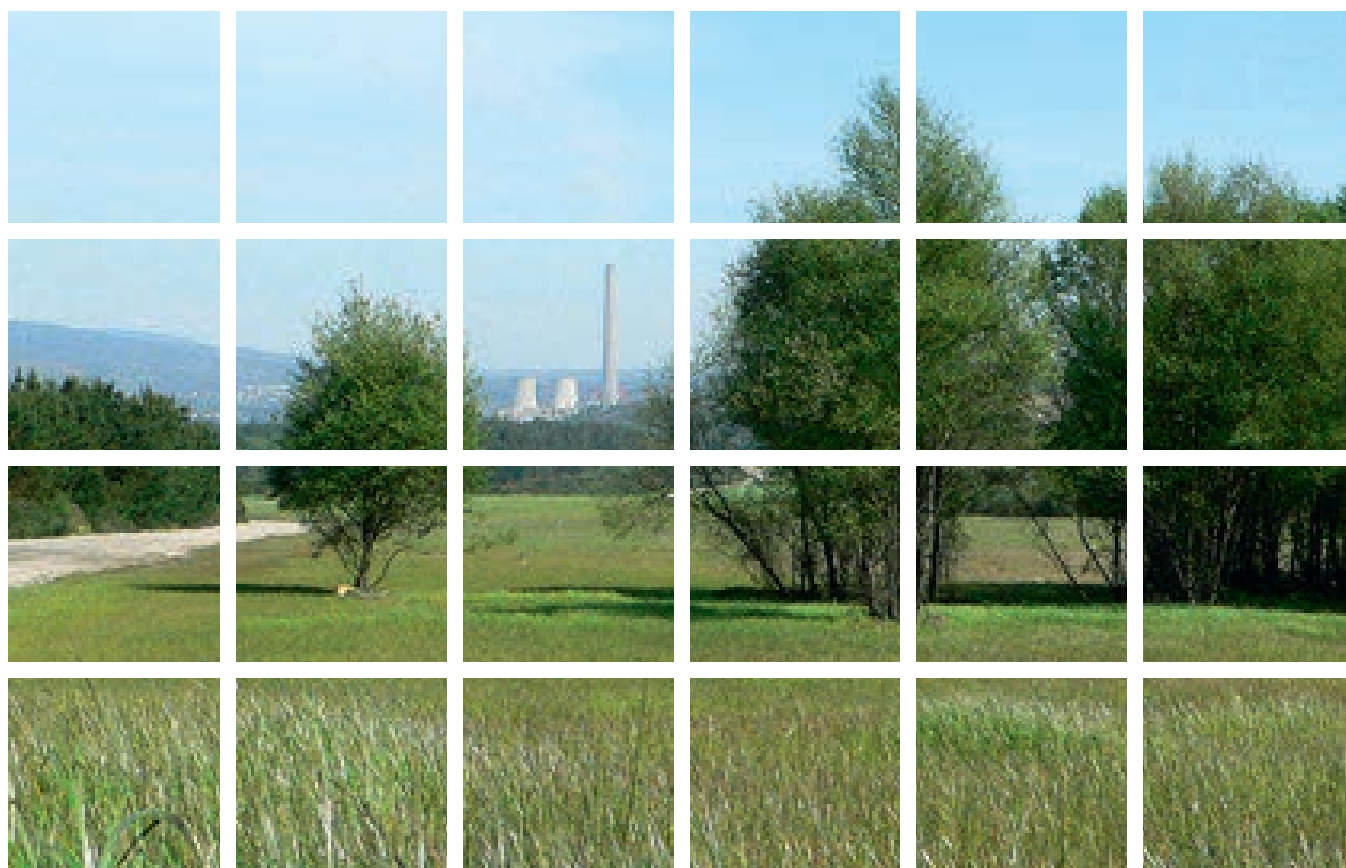
1. Strengthening ties with local communities

ENDESA is committed to the social development of the communities in which it operates through sustained value creation. This is one of the two challenges for the Company under the framework of ENDESA's Sustainability Plan. To achieve this, two lines of action were adopted, designed to adapt the corporate sustainability strategy to the social and economic needs and characteristics of the regions in which the Company operates (five regional plans in Spain and five country plans in Latin America) and to develop social projects and initiatives.

In 2013, a key year in the Company's integration into the Enel Group's One Company policy, the 2008-2012 Sustainability Plan (PES 2008-2012) was extended as part of its alignment and integration with the overall commitments and objectives of the Enel Group's Sustainability Plan. ENDESA's Sustainability Plan therefore serves as a link between the Company's present and future, envisaging the global integration of economic, social and environmental dimensions and long-term value generation.

To meet this challenge, the Company has set the following strategic objectives:

- To complement its function as a provider of a basic service: access to electricity.
- To promote the implementation of the Company's Human Rights Policy, and any related action plans, in all areas of operation.
- To facilitate access to energy for underprivileged groups through targeted social programmes.
- To maintain responsible relations with communities, fostering their economic, social and environmental development.
- To respond to the needs of the main communities with which ENDESA deals.



- To realise ENDESA's potential to help create wealth and employment.
- To be accountable to society in a systematic, transparent and honest manner.

These objectives have been fully achieved as measured by nine indicators on the 2013 Sustainability score card.

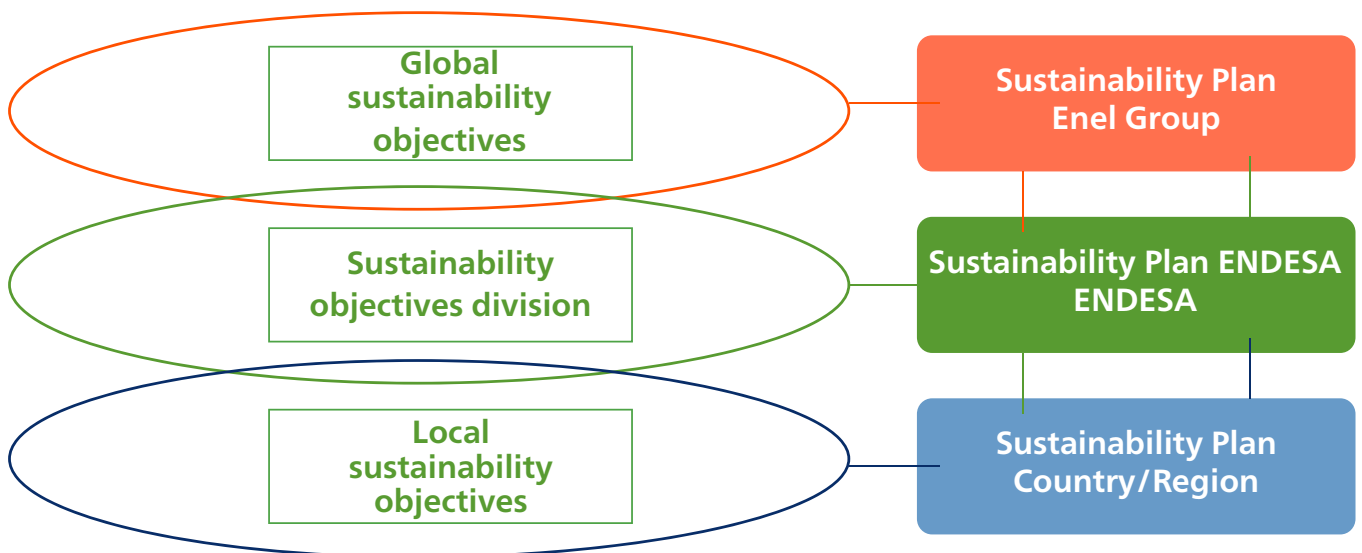
ENDESA transforms its corporate objectives to adapt to local conditions. Sustainability committees are in place to develop and implement the plans. These committees coordinate, roll out and promote ENDESA's sustainability strategy at a local level. The committees are formed by representatives of the business areas in which programmes are implemented to achieve the commitments contained in ENDESA's Sustainability Policy.

In 2013, the Sustainability committees met on several occasions, with the following objectives:

- To offer a comprehensive overview of sustainability at a local level.
- To promote, coordinate and roll out local sustainable development initiatives.
- To have local representation on all matters related to sustainability.
- To strengthen relations with local stakeholder groups.
- To unlock the value of local initiatives.

Additionally, progress has been made on the process to fully integrate and align the Group's different sustainability programmes into one single plan with a global vision rolled out at local level.

For further information, see Chapter on: ENDESA, a leading group in the global electricity market, section 7, ENDESA and its stakeholders.



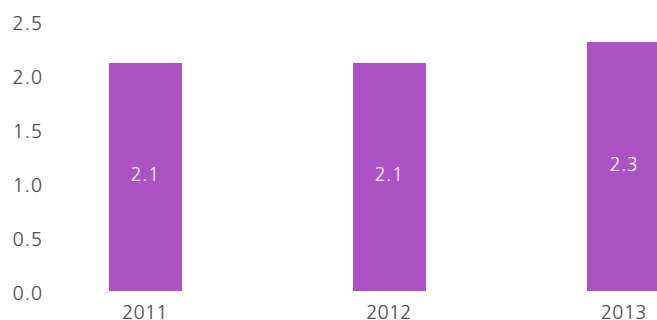
2. Social initiatives: generating value and contributing to society

ENDESA is aware of society's expectations and its responsibility as an electricity generator, distributor and supplier of a basic resource: electricity.

ENDESA has invested 2.3% of its net profit in social action initiatives

ENDESA's commitment to the community is set out in the values taken on by the Company in 1999, as well as in the seven sustainable development pledges assumed in 2003.

ENDESA's investment in social initiatives under LBG methodology (% of net profit) (*)



(*) Net income of continuing operations attributable to ENDESA shareholders.

In 2013, ENDESA invested 2.3% of its net profit (Euro 1,879 million) in social development.

2.1. Contribution to social development

ENDESA contributes to social development through direct investment in local initiatives, in collaboration with organisations and entities in the areas in which it operates. It also encourages corporate volunteerism among employees.

ENDESA's social action policies are developed at all Group companies, in addition to its five foundations: the ENDESA and Sevillana Endesa foundations in Spain; the Endesa Colombia foundation in Colombia; and the Pehuen and Huinay foundations in Chile.

In 2013, the Company updated the framework of its social action projects to promote social inclusion, minimise risks, enhance its reputation, bring the Company closer to its stakeholders and meets their demands.

The objective is to optimise the management of social actions to promote and exploit their strengths, such as:

- Integration into the Enel Group.
- Inclusion of the Social Action policy in the Group's values and Strategic Sustainability Plan.



- The Company's commitment to, and interest and experience in social initiatives, in addition to its large financial investments in this area.
- Identification of Social Action with the Group's business strategy and international initiatives (Human Rights, Millennium Development Goals, Sustainable Energy for All, Global Compact, etc.).
- Inclusion of new tools such as corporate volunteerism, impact measurement, new technologies, etc.
- Business orientation and support for modernisation, transformation and change processes.
- Flagship projects.
- Recognition at local level. Impacting and widely-recognised activities.

The main motivations behind ENDESA's contribution to social development are:

- To complement the Company's role as a provider of a basic service, namely access to electricity.
- To provide access to goods and services related to electricity.
- To respond to the needs of its main stakeholders.
- To help create wealth and employment.

Therefore, social initiatives defined by under the Company's policy will be projects that:

- are sustainable over time and able to replicate the most successful measures.
- focus specifically on vulnerable groups (underprivileged households, children and young people, women, indigenous communities, etc.) including rural communities and displaced urban communities.
- are managed in collaboration with the social representatives of the communities involved in projects.
- relate to the nature and development characteristics of the Company's businesses, i.e. doing what it does best.

- Accountability - through systematic, transparent communication with society.

- Clear, measurable benefits for society and returns for the company.

Within this framework, ENDESA's regional divisions in Spain and subsidiaries in Latin America decide which projects and initiatives to implement, attempting to identify the needs and critical issues for each social environment.

All these lines of action are aligned with both the Company's strategy and international initiatives and respond to the social demands of our stakeholders, particularly with regard to minimising environmental and social risks. Corporate volunteer initiatives act as a catalyst for initiatives in other areas.

2.2 ENDESA's investment in social development

In 2013, ENDESA invested Euro 40.1 million in social development, of which Euro 11.7 million were earmarked for projects developed in Spain and Portugal. Of the total investment in social projects in Spain and Portugal, Euro 3.8 million were distributed through ENDESA's foundations and Euro 7.9 million through the corporate and regional centres.

ENDESA's Latin American subsidiaries invested Euro 28.37 million in social development.

ENDESA's investments in social development initiatives in 2013* (Euro million)

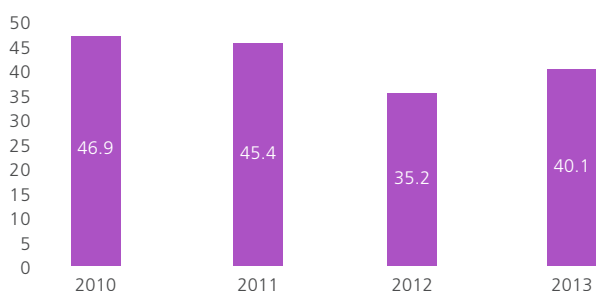
Spain and Portugal	11.74
Corporate Centre	7.72
ENDESA foundations	3.79
Regional centres in Spain and Portugal	0.24
Latin America	28.37
Total	40.11

(*) Excludes investment in rural electrification (Euro 8.7 million) as these investments are directly related to the development of ENDESA's business activity.

71% of the budget for social action projects has been invested in five of the countries where ENDESA is present

ENDESA's investment in social development in 2013 (Euro 40.11 million) increased by almost 14% vs. 2012 (Euro 35.23 million). In Latin America, the Company invested Euro 28.37 million, 30% more than in 2012 (Euro 21.86 million). Investment in Spain and Portugal was Euro 11.74 million in 2013, down 12% compared to the previous year (Euro 13.37 million). 71% of total investment in social development was earmarked for the five countries where the Company is present in Latin America (Argentina, Brazil, Chile, Colombia and Peru) and the remaining 29% corresponded to Spain and Portugal.

ENDESA social investments (Euro million)



2.3. ENDESA's social development initiatives

34% of initiatives carried out by ENDESA in 2013 corresponded to projects related to access to electricity. Projects relating

to education and training accounted for 24% of the investment. Initiatives relating to social development and quality of life accounted for 35% of social action projects. Environmental actions, i.e. measures implemented to foment and promote environmental protection (excluding those carried out by ENDESA as part of its everyday business) accounted for 7% in 2013.

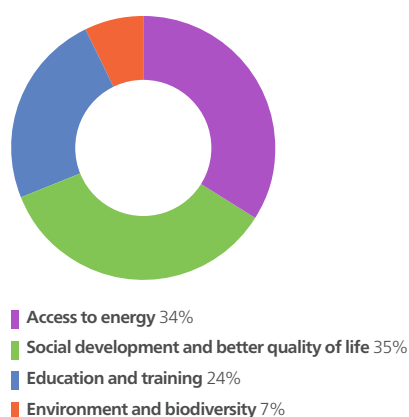
London Benchmarking Group, LBG Spain



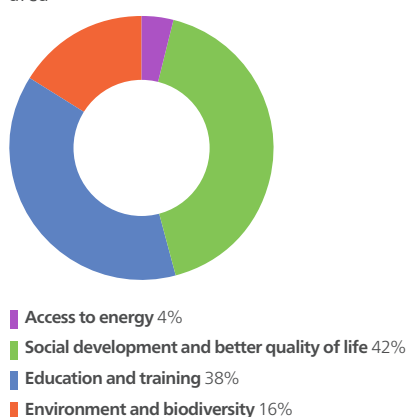
ENDESA has belonged to the London Benchmarking Group (LBG) Spain since 2008. Its methodology enables the Company's social actions in the community to be measured, managed and evaluated and its contributions, achievements and impacts disseminated.

In addition to the usual reporting on its social initiatives, ENDESA has followed LBG calculation methodology for the fifth year running.

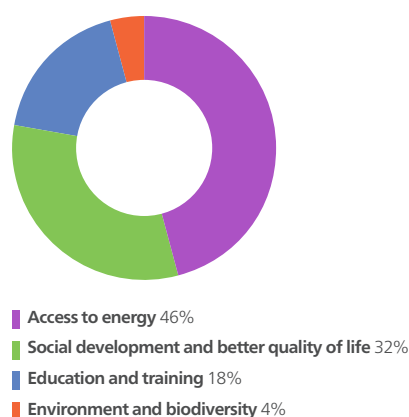
ENDESA's investment in social initiatives by area



ENDESA's investment in Spain and Portugal by area



ENDESA's investment in Latin America by area



ENDESA's contribution to social actions in 2013, according to LBG* (Euro million)

Contributions, Spain and Portugal	12.81
Contributions, Latin America	30.87
Total	43.68

(*) Note: The difference between the total results in the two reporting systems is mainly due to the inclusion of the time employees spend on social initiatives for each action and converted into euros and the Company's inclusion of management costs for social actions projects.

In 2013, as in 2012, 46% of total investment was allocated to the community. This segment encompasses projects that

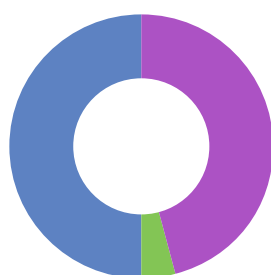
have a long-term strategic commitment to communities to support social initiatives. The investment of 50% in social projects aligned with the Company's business activities was also maintained. Investment in this type of projects totaled Euro 22 million. Following the management model marked over the past few years, the Company has focused on social projects that continue over time, forging strategic partnerships with public and private entities for their management. In 2013, one-off contributions remained stable at 4% of the total.

Motivation behind ENDESA's contribution to social initiatives, according to LBG (thousands of euros)

	2011			2012			2013		
	Spain and Portugal	Latin America	Total	Spain and Portugal	Latin America	Total	Spain and Portugal	Latin America	Total
One-off contribution	1,165	1,297	2,461	1,319	365.18	1,685	1,129	570	1,699
Social investment	9,526	13,636	23,162	8,821	10,821	19,643	7,145	12,829	19,974
Initiatives aligned with the business	1,223	23,198	24,411	5,883	15,186	21,070	4,537	17,465	22,002

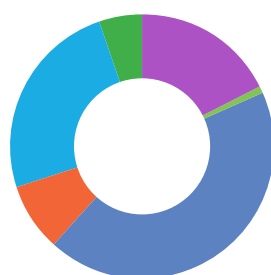
ENDESA's contribution to social initiatives in 2013, according to LBG

Reason for initiatives



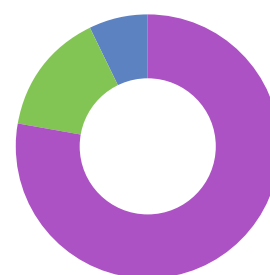
- Investment in the community 46%
- One-off contribution 4%
- Initiatives aligned with the business 50%

By category



- Education and youth 17%
- Health 1%
- Economic development 42%
- Environment 8%
- Art and culture 24%
- Social welfare 5%

By type of contribution



- Money contribution 78%
- In-kind contribution 15%
- Time contribution 7%

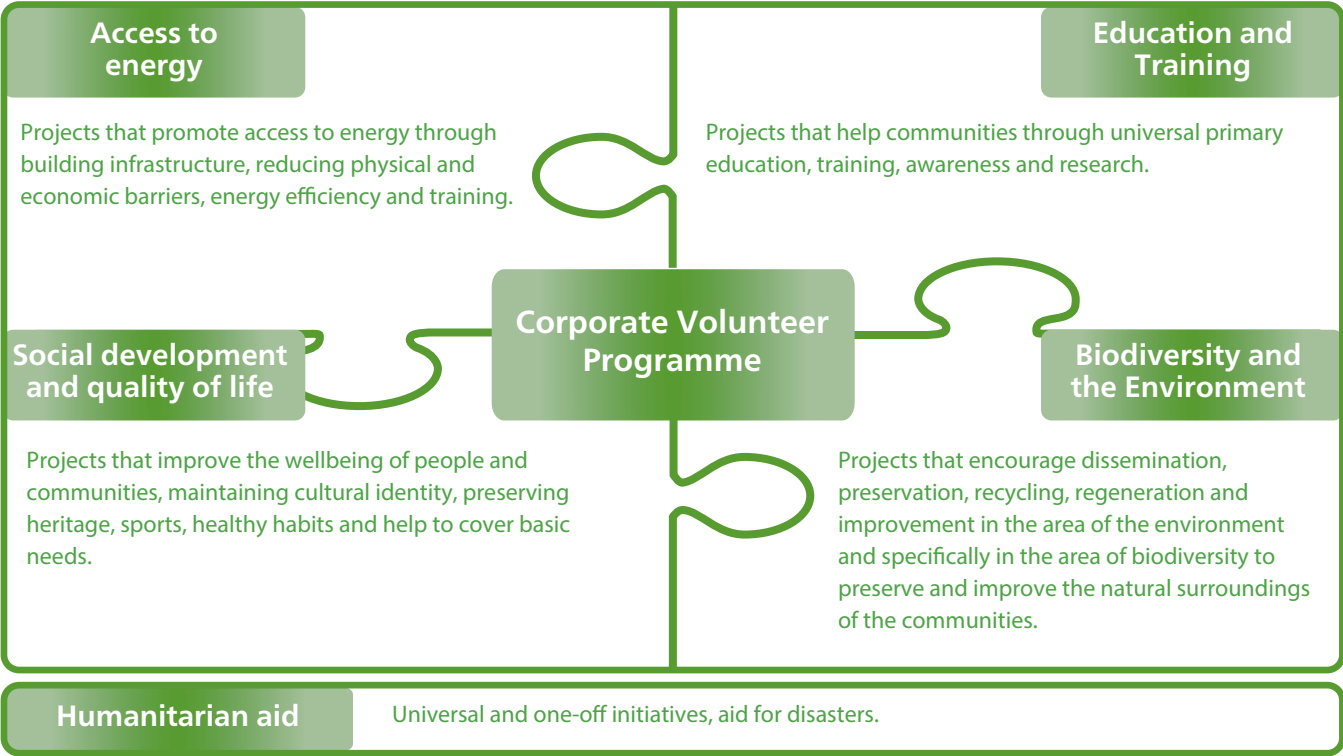
3. Social initiatives

As a result of the process of alignment and integration with Enel Group initiatives, the Company's social initiatives are now classified in line with the results of a detailed study of the development of ENDESA's Social Action policy over the past few years, in addition to international trends and initiatives (Human Rights, Millenium Goals, UN Global Compact and Sustainable Energy for All) and an in-depth external analysis (benchmark studies and opinion surveys among stakeholders) and internal assessment (personal interviews with senior management, focus groups and employee surveys).

Under this new classification system, social action projects are divided into five categories:

- **Access to energy:** Projects that promote access to energy through building infrastructure, reducing physical and economic barriers, energy efficiency and training.
- **Training and Education:** Projects that help communities through universal primary education, training, awareness as a way of life and research into energy-related topics.

- **Social development and quality of life:** Projects to improve the wellbeing of people and communities, maintaining cultural identity, preserving heritage, sports, healthy habits and help to cover basic needs.
- **Environment and biodiversity:** Projects that encourage dissemination, preservation, recycling, regeneration and improvement in the area of the environment and specifically in the area of biodiversity to preserve and improve the natural surroundings of the communities.
- **Corporate Volunteer Programme:** Unpaid, structured voluntary work carried out by employees, at the company's initiative or supported by the company, taking the form of activities, contributions and/or skills employed for the benefit of others and/or society in general.
- **Humanitarian aid:** Universal and one-off initiatives, aid for disasters.



3.1. Access to Energy

ENDESA considers social initiatives to be a key line in its management strategy that promote social inclusion, minimise risks, raise the company's reputation, bring it closer to stakeholders and meet their demands.



Therefore, one of the main action lines in this area relates to projects aligned with the Company's core business, with initiatives to provide access to energy by building infrastructure, reducing physical and economic barriers, energy efficiency and training.

34% of investment in social initiatives was allocated to projects to provide access to energy

34% of investment in social action projects developed by ENDESA fall under this category, with an investment of over Euro 13 million in 2013. Investment in rural electrification to provide rural and disadvantaged communities with access to energy should also be considered (Euro 8.7 million).

The Access to Energy category runs parallel with the Enabling Electricity programme headed by Enel to which ENDESA contributes significant value.

3.1.1. Enabling Electricity

In its 2011 report, the International Energy Agency stated that over 1.3 billion people around the world do not have access to electricity, a further 1 billion do not have access to reliable distribution networks and over 2.7 billion people continue to use inefficient and harmful forms of energy, such as the use of biomass for cooking and lighting. The United

Nations Secretary-General declared 2012 to be the International Year of Sustainable Energy for all, setting three objectives for 2030:

- Ensuring universal access to modern energy services.
- Doubling the rate of improvement in energy efficiency.
- Doubling the share of renewable energy in the global energy mix.



ENDESA has been involved in intensive action on all these three fronts, as detailed in previous annual Sustainability Reports. However, with the opportunity offered by the launch of this United Nations initiative, ENDESA has launched, alongside Enel, a specific project focusing on the first of these three areas.

More than 2 million people have benefited from the Enabling Electricity programme since it started in 2012

This commitment was signed by Enel CEO Fulvio Conti at the plenary session of the 2011 UN Private Sector Forum. It involves guaranteeing access to energy where it is currently not available through the Enabling Electricity programme. This programme targets two groups: people living in isolated areas and communities with low purchasing power in peripheral, rural and suburban areas. The ultimate objective is to provide two million people belonging to these groups with access to electricity in a period of three years.

In 2013, ongoing projects were continued and new initiatives rolled out in alignment with this objective, to help vulnerable communities. As a result, the Enabling Electricity programme this year included at least one programme in all the countries in which ENDESA operates. Additionally,

project management and measurement and reporting methodology have been improved at global level, allowing the number of beneficiaries of the different Enel Group programmes making up the Enabling Electricity project to be quantified.

In 2013, at least one social action project was included in the Enabling Electricity programme in all countries in which we operate

With regard to ensuring universal access to modern energy services, the United Nations Energy for All project, the Enabling Electricity programme defines three fundamental areas for action into which ENDESA's social projects related to this initiative can be grouped:

1. Projects that facilitate access to electricity through new technologies and infrastructures. These involve the installation of electricity systems and access to these systems. Since 2012, nine projects of this type have been managed in Latin America, providing more than 700,000 people with access to energy. Highlights include:

- **Electricity for All** (rural electrification programme): In 2013, Ampla and Coelce, ENDESA's distribution subsidiaries in Brazil, continued to collaborate in the federal "Electricity for All" electrification programme, which aims to bring power to all rural areas, providing free access to the grid. More than 10,000 households have benefited from this programme in Brazil since 2012.
- **Electrification of displaced communities.** In Peru, work continued on the mass electrification programme, benefiting 95,372 people in the San Juan de Lurigancho, San Antonio, Ventanilla and Carabayllo districts in 2013. The objective of the project is to improve the quality of life of the most underprivileged families by providing them with access to electricity.
- **Electricity for Learning.** This project was developed in Colombia in coordination with the OEI and the Endesa

Foundation. It provides access to energy through the installation of solar panels that directly benefit the school community of Unión Condorbamba. It helps to improve the quality of education, facilitating access to internet and also includes a solar panel kit for 19 housing units.



- **Lighting of sports facilities in Chile.** This programme seeks to recover public areas for the community through the delivery, installation and maintenance of comprehensive lighting systems for sports facilities located mainly in underprivileged areas with greater social needs in the Santiago de Chile metropolitan area. In 2013, lighting was provided for four new facilities in the communities of Huechuraba, Conchalí and Lo Espejo.
- **Framework agreement in Argentina.** This agreement was signed by ENDESA distribution company Edesur with the Federal Government and the province of Buenos Aires to provide electricity to underprivileged and impoverished neighbourhoods. It has provided more than 130,000 households with access to electricity.

2. Projects that remove economic barriers for the lowest income levels in society: including initiatives that provide payment facilities for electricity, either through lower tariffs or flexible financing, or by reducing consumption by improving energy efficiency. In 2013, three projects of this type were managed, helping more than 380 thousand people. Highlights include:



- **Ecoelce and Ecoampla in Brazil and Ecochilectra in Chile.** A programme for residential customers, particularly low income customers, consisting of exchanging recyclable waste for discounts on energy bills. Materials are correctly recycled through the recycling industry. In 2013, more than 18,000 households benefited from this programme.
- **Efficient Change and Electricity for All.** Programmes rolled out in Brazil to combat wasting electricity in the homes of low income customers, through educational activities in energy efficiency and the dissemination of knowledge and best practices on efficient and responsible energy consumption. Through home visits, talks and workshops, customers learn about the efficient use of energy and can change lamps and fridges for more efficient models at no charge. Since the start of the Enabling Electricity project more than 30,000 families have benefited from this programme.
- **By your side (A tu lado) programme.** A project in Colombia that offers advice on the safe and efficient use of energy and electricity devices for low income families, including the free replacement of light bulbs for more efficient ones and in some cases, the replacement of fridges. In 2013, more than 110,000 people benefited from this programme.

3. Development of knowledge and key skills, creating abilities in the area of electricity: The aim of these projects is to train underprivileged people to provide them with job skills and to improve the quality of the teaching provided for these types of studies. In 2013, six projects of this type were rolled out, benefiting 325 people.

- **Professional training in electricity for young people at risk of exclusion in Spain.** The Endesa Foundation develops projects aimed at improving the employability of underprivileged young people and those at risk of social exclusion. The objective is to provide young people with access to the job market by developing their personal and professional skills and thereby achieve their sustainable inclusion in society. The Company works in collaboration with Cáritas, public administrations and public and private institutes of education on the project and even involves suppliers to provide practical experience to help train the students and eventually provide them with jobs. In 2013, 95 young people were helped by this programme.



- **Endesa Brazil - Opportunities.** Professional training courses for young people from low-income backgrounds. Training comprises higher technical courses in electro-technical studies with follow-up carried out by social workers during the period. In 2013, 60 students graduated.
- **IST Nuevo Pachacútec.** An educational project in Peru to improve the quality of life and employability of young people at risk of social exclusion by promoting the electricians course offered by the Instituto Nuevo Pachacútec located in the Ventanilla-Callao district. The main results

of the project are the insertion of these young people into the workplace, helping women to join the job market and above all the development of an extremely poor area. 152 young people are currently attending the course, with a total of 70 graduates.

- **Pasantía teacher training programme.** An initiative rolled out in Chile aimed at improving teachers' knowledge in electricity studies at various technical-professional institutes in Santiago de Chile, to improve the quality of the teaching given to the students. To date, this programme has helped teachers at 29 educational institutions including technical colleges and colleges of higher education.

Since the start of the Enabling Electricity programme in 2012, ENDESA has benefited more than two million people. More than 38% of these have been provided with new installations or infrastructure to give them access to electricity while 62% have been given facilities to eliminate or reduce economic barriers preventing access to supply and around 650 people have received technical training in the subject of electricity.

3.1.2. Rural Electrification

ENDESA's objective is to bring electricity to all rural communities and underprivileged people without power in the best possible conditions.

More than Euro 8.7 million invested in rural electrification programmes

Rural electrification is especially relevant to ENDESA's social action policy because it provides electricity to marginalised, disadvantaged rural communities and groups. In 2013, ENDESA's subsidiaries in Latin America carried out rural electrification projects in Brazil and Peru, through the "Electricity for All" and "Electrification of displaced communities" programmes respectively. Both programmes form part of the Enabling Electricity programme, where more detailed information is provided.

3.2. Education and Training

For several years ENDESA has been developing different educational and training initiatives in all areas where it is present. Many of these projects are focused on business-related topics such as education in energy efficiency or safety for children, young people and adults, or to promote research into energy-related subjects. However, the Company also supports projects that help communities through universal primary education, awareness as a way of life and general training initiatives in energy-related topics.

26% of the investment in social initiatives has been allocated to Education and Training

Some of the most important projects are:

Spain and Portugal

Endesa Educa. Endesa Educa is an educational initiative designed to promote a new social conscience based on sustainability and energy efficiency. It offers a wide range of tailored activities to educational centres at no charge. These include visits to power stations, directed activities in ENDESA Information Centres, workshops in education centres and online activities. www.endesaeduca.com. The objective of all of these activities is to promote efficient and rational energy use, something to which the programme is deeply committed.



Endesa Educa had more than 56,000 participants in 2013, three times the number in 2012. It also expanded Area 2.0 of its 3D web portal www.endesaeduca.com, the space for online educational programmes and has strengthened its presence on the social networks with the Endesa Educa blog (<http://blog.endesaeduca.com/>), specialising in science-related content and through Twitter (@EndesaEduca).

For further information: www.endesaeduca.com.

Twenergy. This virtual community was launched in 2009 to encourage responsible energy consumption by providing users with solutions and tools to help them become more efficient in their energy usage.



This efficiency and sustainability initiative helps users to consume energy responsibly. It has more than 41,800 registered users and received 2,460,938 visits in 2013.



The project entitled "Transform life into energy and energy into life" rolled out by the Achalay Association in the rural communities in the high Andes in southern Peru (department of Cuzco) in collaboration with the local partner, Redes Perú, won first prize in the 5th edition of the Twenergy Charity Projects awards. For further information: www.twenergy.com.

Support for university courses and internship and awards programmes. The Endesa Foundation collaborates with various universities to promote higher education among young people in Spain. In 2013, highlights included the Award for

the Best End of Course Project at Comillas University, the Mathematical Sciences Prize for young researchers from the Real Academia de las Ciencias, Endesa scholarships for fine arts, Fondena Foundation grants (foundation for the protection of nature), summer courses at Teruel University, cultural heritage grants from organised by the Ministry of Education, matriculation grants for the Masters' degree in Law at Carlos III university or grants for political and constitutional studies, among others. Investment totaled more than Euro 250,000 in 2013.

Argentina

Journey through Energy (El Viaje de la Energía). An educational initiative to teach primary school children the basic facts about electrical energy, how electricity works, how it is distributed from generation plants to the home, and about safe and efficient energy use. In 2013, more than 800 public and private schools and special education schools, took part in this initiative. The programme was supported by the National Advisory Committee for the Integration of Disabled People (CONADIS).

Envi3n project. An initiative to help children and teenagers aged between 12 and 18 at risk of social exclusion enter the job market. The main objective of the programme is to create the right conditions to help these people find future employment, boosting their social and affective skills and their participation in society.

Villa El Choc3n students visit Buenos Aires. A trip to Buenos Aires organised for the Villa El Choc3n Secondary School number 9 allowing students to visit their capital city and learn about the academic possibilities for their educational and personal development. For the ninth consecutive year, 14 young people aged 16 were given the chance to see Buenos Aires, visiting historical, cultural, academic and leisure sites.

Brazil

Ampla Future Awareness project. An educational and awareness raising programme that offers teaching staff activities to reflect on the consumption of natural re-

sources with a focus on electricity, encouraging them to disseminate ideas and practices. Students also become advocates of these ideas and practices, not only at school but at home and within their communities. In 2013, ENDESA's distribution company in Brazil contributed more than Euro 100,000 to this initiative, which helped over 6,000 people.

A journey into the world of literature. An initiative to encourage reading to bring culture closer to everyone, with a special focus on people at risk of social exclusion, as access to books is limited in their communities. It includes workshops and reading and discussion groups. In 2013, the project reached 1,200 beneficiaries.

Ampla Sports Awareness. The project seeks to promote social inclusion through the football school, where young people can learn about sports and their values, citizenship, teamwork and the sustainable use of electric energy. The project is open to students from low-income communities in São Gonzalo (Rio Janeiro). In 2013, 704 people benefited directly from the initiative.



Endesa Brazil Education and Culture programme: Boo! Stories of fear and courage. The aim of the programme is to help improve the reading and comprehension skills of students aged 10 and 11 in more than 500 public schools in the country. This year, the subject was horror stories. Students were asked to write their own stories which were then entered into a contest which offered the 37 best entries from over 3,600 the opportunity to be published in a book which will be distributed among schools and public

libraries free of charge. The theme was particularly relevant for the students given the violence to which children at risk of social exclusion are exposed every day, and approaching the subject from a different angle is considered to be helpful.

Chile

Energy for Education. A programme to improve the quality of school education in Spanish language and mathematics, aimed at students and teachers in vulnerable areas of the municipal school network. The main objective of the programme is create more opportunities for children and young people in the country. It was developed in 40 schools in 2013.

Educational talks for schools. The aim of the Chilectra project is to educate children about energy efficiency and taking care of the environment. In 2013, more than Euro 100,000 were invested in the project which helped 17,433 students.

Awareness programmes for teachers. This initiative provides training for teachers in subjects that are not included in the school curriculum, but are important for children's education. In 2013 a course on bullying was attended by 33 teachers, offering tools to help them understand situations of conflict in the classroom and to be able to manage them in the most suitable way. A course on entrepreneurship was also given to 30 teachers to help them raise interest among young people in the area of self-employment.

Education campaigns in collaboration with the Red Cross. As part of Chilectra's partnership with the Chilean Red Cross that started in 2005, regular educational and preventive campaigns are carried out in the community on the safe and efficient use of electricity.

In 2013, the Red Cross played an active role in two traditional campaigns, Safe Kite and Safe Christmas, providing advice to prevent accidents and first aid for accidents involving electricity in the home. Talks were given in schools and informative leaflets distributed.

Colombia

Seeds of technology. This project seeks to strengthen the development and benefit initiatives in relation to the agroindustrial sector. The Endesa Foundation in Colombia and the Jesús Oviedo Pérez Neiva Technical School Foundation gave 12 young people the chance to attend higher education and build their life project. In addition to paying their semester fees, the programme helps to cover transport, food, books and uniform costs.

Juan Felipe Gómez Escobar Foundation Grants. Technical training in occupational safety aimed at teenage mothers from low-income households in the city of Cartagena. In 2013, six students completed their first semester of awareness training.

Body school. The object of the programme is to promote the educational, artistic, social and human development of 120 children at San Francisco de Asís college, through contemporary dance. The programme includes physical training sessions, artistic improvisation workshops and dance, singing and music classes. At the end of the year students performed a piece entitled INXILIO: the path of tears, as part of the International Human Rights week in Cartagena de Indias.



Educational Improvement Programme "Connect with Education". A programme to improve primary education through training teachers in the areas of mathematics and reading comprehension. In addition to strengthening improvement processes in 12 educational institutes in the towns of Ubalá, Gama, Gachalá and Gacheta in Cundinamarca. 110 teachers from 56 schools and more than 1,200 students benefited from this initiative.

Work training. In partnership with the youth services foundation, the Company supported a technical training initiative for 200 young people from underprivileged backgrounds in 2013. In December, the young people aged between 14 and 25 completed their first semester of training in which they received courses in different areas such as electricity, welding, car mechanics, computer maintenance, breadmaking and silk-screen printing. This agreement, which will continue in 2014, is expected to help people in this situation find jobs in the region.

Education with energy. The Endesa Foundation, in collaboration with COMPENSAR and the District Educational Institutions of Bogotá, is developing this project for young people in Years 8 to 11 of public education to help them develop the skills and capacities for life, instilling in them the principles of sustainable development. It aims to help teachers and school advisors to strengthen their career and professional development strategies. In 2013, 407 social and emotional skills workshops were carried out in six educational centres with the participation of around 60 advisers and teachers, benefiting 5,083 students.

Peru

Symphony for Peru. Last year, in collaboration with the Symphony for Peru Association directed by Peruvian tenor Juan Diego Flórez, a Children's and Youth symphony orchestra was created, comprising 116 children with musical talent, aged between seven and 16. The children receive training in singing techniques and wind and string instruments. As part of their training, presentations were made at the Art Museum, Virgen del Pilar Church and during the lighting of the Christmas tree in the Plaza de Armas in Lima.



Safety talks. The objective of this programme is to establish a culture of prevention and safety to prevent risks amongst the population at large, strengthening our strategic objective and commitment to the community. Since 2011, 56 talks have been given on this subject and more than 7,000 people have benefited.

IT for All. A basic IT course offered to the local population free of charge facilitating the use of useful tools in their daily lives or in order to enter the job market. In 2013 more than 14,000 people attended this course and since the programme started in 2004, more than 128,000 have been trained.

Santa Elena Institute of Education. In 2005, EEPsA, ENDESA's facility in Peru, agreed to finance the construction of a primary school in Santa Elena, Piura. During these years of cooperation, the Santa Elena Institute of Education has been recognised several times as the best school in the rural area. In 2013 a pig farm was added to the facilities, which will improve the quality of life in the area. Children in Years 5 and 6 of the school will be the main contributors to this initiative, although their parents will be in charge of cleaning, supervising and feeding the animals, thereby providing employment to 12 families.

The project has been recognised by various business institutions and associations as a sustainable development initiative. Awards include the Corresponsables 2012 prize conferred by the Spanish publication of the same name.

Curibamba coffee project: A project to train coffee farmers in these communities to provide them with technical skills for coffee growing in order to improve the quality of their work, and strengthen the commercial structure of these communities so that they are able to compete in the market. 40 farming families from three rural communities in the area took part in the project in 2013. A further hundred farmers are expected to take part in 2014.

3.3. Social Development and Quality of Life

ENDESA support social development and quality of life through various types of project aimed at improving the well-being of people and communities, helping to cover their basic needs, maintain their cultural identity, preserve their heritage and promote sport and healthy activities. In 2013, 34% of investment in social initiatives was aimed at social development projects and measures to improve the quality of life in communities.

In 2013, 34% of investment in social initiatives was aimed at social development projects and measures to improve the quality of life in communities

In order to carry out these actions, the Company draws on the knowledge and awareness of each local area and collaborates with the main social organisations operating in the communities in question, through regional units and investee companies with personnel trained to identify, select and develop social development projects.

Some of the most important projects are:

Spain and Portugal

Supporting SMEs. A not-for-profit joint public and private collaboration initiative to help small and medium-sized businesses through meetings to address pertinent topics such as financing, innovation, internationalisation and energy efficiency, free of charge. In 2013, meetings were held in 12 Spanish cities.



Support for families at risk of exclusion. In 2013, ENDESA carried out multiple initiatives to relieve the difficulties of families with economic problems. Highlights include:



- **2nd Endesa League Solidarity Day 2013** in collaboration with the Red Cross during which the company doubled the amount raised through SMS messages for its "Now more than ever" campaign, achieving total funds of Euro 43,000.
- **Flag day** in collaboration with the Red Cross under the slogan "A day to give everything. Let nobody be left behind"



- Under the slogan "**Together we can achieve more**", food drives were held at all the Company's headquarters in Spain, collecting more than 9,400 kilos of food

for the charity organisations Banco de Alimentos, Cáritas and the NGO Cooperación Internacional. More than 50 kilos of hygiene products were also collected for donation.

- **Healthcare projects.** The Company supports various different NGOs and associations in the healthcare area to carry out research into diseases or to help patients and their families. These include collaboration with the Seville and Madrid Downs' Syndrome Associations, the Cadiz Federation of Physically and Mentally Disabled people, the Seville Autism Association, the donation of toys to hospitals in Zaragoza, the Spanish Association of amyotrophic lateral sclerosis and collaboration with the Medical smile NGO providing entertainment for children in hospital. In 2013, around Euro 600,000 were invested in this type of project.

Argentina

Popular library. Collaboration with the public library close to the Dock Sud facility to bring a space for personal development close to the community. The company once again organised a street festival on International Children's Day which was attended by more than 400 neighbourhood children. Attractions included an artistic show, games and food and sweets.

Paper and plastic lid recycling programmes. In partnership with the Dr. Garrahan Hospital Foundation (the most important paediatric hospital in Argentina), Edesur, Hidroeléctrica El Chocón and Endesa Costanera participate in innovative fund-raising campaigns which, by recycling paper, cardboard and plastic lids raise funds for the hospital that treats children from all over the country, from the most remote provinces to Buenos Aires, who stay at the foundation premises while they are undergoing treatment.

Campaign to find missing children. Edesur continues to work with the Missing Children's organisation of Argentina. In 2013, the campaign involved publishing photographs of the missing children on posters displayed on the walls of its commercial offices.



Edesur and culture. To help promote art and culture, the company provided support and an alternative space for expression. Highlights in 2013 included: Art exhibitions at commercial offices, art workshops for children and interior energy.

Brazil

Community Bank. The aim of the project is to drive the development of poorer regions by strengthening and creating local supply and demand networks. The bank has three main characteristics: it is managed by the community itself, it promotes local development (driving credit, production, supply and training) and uses a local currency which is used alongside the official currency and accepted and recognised by all producers, traders and consumers in the area, creating an alternative source of support and an alternative market for households. Two community banks were set up, which launched a specific credit line to guarantee the prompt payment of electricity bills. The Community Bank benefited 1,106 families in 2013.

Ampla Citizen Awareness. The aim of the project is to raise awareness of the rights of vulnerable families, provide guidance in regard to their obligations and address various issues relating to citizenship. Issues addressed include social factors and health care (free documents, family income programme, unemployment benefit, family planning programmes etc) in addition to workshops on citizenship and applications to benefit from the low rent tariff.

Coelce Culture. Various initiatives to support the development of projects devised by entities to promote the Ceará culture in the areas of music, theatre, dance, literature, and tangible and intangible assets, among others. Coelce invested Euro 1.7 million in this programme in 2013, benefiting 46,500 people.

Chile

Chilectra film festival. The seventh edition of the Chilectra film Festival represents a traditional summer culture for thousands of families from Santiago. The festival is held on the same sports grounds that the company provides lighting for. It runs from January to March, is completely free and is open to all communities within the company's concession area in the metropolitan region. To date, more than 100,000 people have visited the festival.

Chilectra Cup. The 12th edition of the Chilectra Cup was held in 2013. This children's football tournament brings together the 33 areas to which Chilectra supplies power, and (like the Chilectra film festival) is held on the same sports grounds that the company provides lighting for, forming part of its Recovery of public spaces programme. The aim of this initiative is to promote sport and a healthy lifestyle, in addition to strengthening values such as teamwork and the will to improve oneself, and to date, more than 80,000 children and young people from the metropolitan area have taken part in the programme.



In 2013, the Recoleta team won the tournament and received the traditional prize of a trip to Spain, accompanied by the former captain of the Chilean national team, Iván Zamorano, where the team played the Real Madrid under 13 youth team. The Recoleta team also won the Integration Tournament held in the Spanish capital. In women's football,

Cerro Navia won the 2013 Chilectra Cup, winning a trip to Río de Janeiro in Brazil.

Helping to find missing persons. For more than a decade Chilectra has supported the Chilean police investigation service (PDI) to help find missing persons, especially children. The company helps by publishing photographs of the missing persons in its corporate magazine and website. Today, six people have been found thanks to this support channel.

School cinema. Between June and November 2013, this mobile film show visited various schools and was seen by almost 7,500 children, parents and teachers. A pilot project was also rolled out involving visits to sports and nutrition clinics in the areas of San Clemente and Alto Biobío, where children aged between four and 15 were taught about healthy eating habits and the importance of physical exercise.

Pehuén Foundation. This not-for-profit organisation was created in 1992 following the construction of the Pangué hydroelectric plant in order to carry out programmes to promote sustainability amongst the Pehuenche communities living near the facility. The foundation is working to improve living conditions for the 800 families with regard to production, education, preservation of their culture, social assistance, social and community infrastructure and projects to develop tourism and the textile industry.



Colombia

Support programme for basic local infrastructure. In 2013, the company took part in various infrastructure projects in collaboration with public entities, to help the

development of the local communities. Highlights include the restoration of the La Boa-Yagurá Road and the remodeling of a park to create a cultural and sports orientated meeting place, the construction of footbridges over the Gavio river at Vereda Charco Largo and the Quebrada Negra footbridge, which improve the mobility of approximately 200 people in the rural community, the purchase of a combined backhoe excavator to help maintain the San Antonio de Tequedama road and the start of work on the community development centre at San Carlos de Caparrapí to involve children and young people, women and the community in general. The centre will be used for initiatives to promote human rights, art workshops and social platforms for peace.

Support for cultural traditions. Support for Peasant Farmer day and the 30th folkloric festival in the Department of Huila.

Codensa inclusive project. This initiative seeks to include the best practices in caring for disabled and elderly people. In collaboration with the Saldarriaga Concha Foundation the company supported the construction of rural housing units, which benefited almost 20 underprivileged people from among these groups.

Agreement with the Magdalena Centre Development for Peace Programme. In 2013, the second phase of the School for Strengthening Total Community Excellence was developed to give political training to councilors and leaders of various towns in the Cundinamarca region. The school also continued to provide training for 18 leaders from the previous year and the programme was extended to include 60 more participants. Additionally, a module entitled "Let's get involved" was implemented for young people in two colleges, providing training for a total of 40 people.

Educational partnerships. This programme involves the construction of suitable and healthy classrooms to prevent overcrowding among students living in underprivileged conditions, seeking to improve the quality of life for students attending the San Francisco de Asís college in Cartagena de Indias. The project, developed by Enel Cuore and

the Architects for Humanity Organisation also seeks to implement the use of ICT in the classroom through a process of teacher training and classes in the community, involving the participation of more than 200 people and the designation of a classroom with specialised audiovisual and IT equipment.

Projects to support agriculture and livestock production chains. In Colombia, ENDESA supports various projects to improve the production chains for local products such as cocoa, coffee, avocado, and other fruits. The initiatives seek to promote crops with a long production life and promote work associated with this production in addition to the creation of partnerships between public and private entities. Different types of advice (technical, social or commercial) is also offered to producers on an ongoing basis. More than 902 producers and their families benefited from these projects.



Also in 2013, 35 livestock farmers were helped to improve the quality of the milk they produced through technical assistance and the donation of equipment and tools, in addition to portable laboratories.

El Quimbo production projects. As part of the development of the El Quimbo hydroelectric plant, the Endesa Foundation Colombia is rolling out self-sustaining projects in collaboration with inhabitants of the towns of Gigante, El Agrado, Paicol, Garzón, Tesalia and Altamira.

Peru

Endesa-Edelnor Cup. In 2010, Endesa Spain and the Real Madrid Foundation signed an agreement to promote the Martin Luther King sports and social academy directed by Father Chiqui in the district of El Agustino, keeping more than 300 children each year away from street gangs and violence through sport.

The fourth championship was held this year, with the participation of more than thousand children from the communities of Junín, Piura, Norte Chico and Comas taking part alongside the children from the Fe and Alegría de Lima schools. The winning team was the municipal school of Talara.

Health campaigns. The campaigns are aimed at low income people living in the concession area with more than 16,000 benefiting from medical care and basic medicines in 2013. More than 50 health campaigns have been carried out since 2005, with a total of 329,711 people attended.

A day at MALI. Lima Art Museum (MALI) and Edelnor jointly presented the fifth edition of the "Day at MALI" project that seeks to popularise museums as a leisure alternative, presenting to the public a range of free, quality cultural activities during the national holidays. As an example, in July 2013 the Lima Art Museum had more than 27,000 visitors in one week, attracted by the varied range of free cultural activities.



School Breakfasts. This programme finances the purchase of food for school breakfasts in collaboration with the Santa Elena Institute of Education. In 2013, more than 130 children were helped by programme. Further, the children were visited by a nutrition specialist who assessed

their weight, size and haemoglobin levels in order to prevent chronic illness.

Health centres. The company supports five health centres caring for the local population in the communities close to the Chimay and Curibamba hydroelectric plants.

Fight against malnutrition in children. The programme involved measuring levels of haemoglobin in a total of 172 children in the local population. Nutritional risk was detected in more than half of the samples taken, including 19 cases of anaemia.

Based on these results, an educational campaign on nutrition was organised, attended by 37 parents from the communities with health centres run by Edegel.

3.4 Biodiversity and the Environment

These voluntary projects include social initiatives to promote, reserve, recycle, regenerate, and improve the environment in general and biodiversity in particular to preserve and improve the surroundings of the communities. In 2013, the company assigned 7% of its budget for social investment to these projects.

Some of the most important projects are:

7% of investment in social initiatives was allocated to projects to protect the environment and biodiversity

Spain and Portugal

Agreement with Oso Pardo Foundation. Collaboration agreement between ENDESA and the Oso Pardo (brown bear) Foundation to execute projects linked to protecting

the brown bear and ensuring sustainable rural development in the areas where the Company operates in the Cordillera Cantábrica and Pyrenees. It is hoped that the project will become a benchmark for the development of programmes to foster sustainable rural development in these areas, in addition to education and environmental communication.



Informative programmes on the Environment and Biodiversity.

In 2013, ENDESA contributed to the publication of various documents and studies relating to the environment and biodiversity, to inform and raise awareness in society in relation to these topics and serve as guidelines. For instance: *The Balearic Birdlife Annual*, *Study and publication of CO₂ data analysis in Spain*, *The challenge of conserving biodiversity*, *Physical habitat of the zebra mussel (Dreissena polymorpha) in the lower Ebro*, *Biological characteristics of the Calotriton marsh asperand* and *Climate change and availability of hydro resources in the Cuenca del Ebro*.

Birdlife protection programme. ENDESA implements many voluntary projects in Spain to protect birdlife in general and specifically to protect those species in danger of extinction. In 2013, the following initiatives stand out, in which the Company invested more than Euro 280,000:

- Tracking and ringing of kites (an endangered species in the Balearic Islands);
- Avilinia project to coordinate environmental activities in relation to power distribution and protect birdlife in the areas in which we operate in Spain;
- Collaboration on the LIFE+ Conservation and management of special protection areas for steppe birds in Andalusia project.

- Collaboration with the regional government of Aragon to develop projects to reduce the risk of birds colliding with power lines and being electrocuted, especially the bearded vulture;
- Agreement to adapt the distribution network in Parque de la Cordillera Litoral (Barcelona);
- Study the interaction between powerlines and the Osprey (*Aquila fasciata*) carried out in Catalonia;
- Corrective measures to help the black vulture population (*Aegypius monachus*) and other large scavenging birds in ENDESA's distribution area.

Restoration of natural areas. ENDESA always exceeds its obligations in relation to the restoration of natural areas. In addition to complying with prevailing legislation, the Company continues to invest in improving the areas near its sites. In 2013, work focused on the Alto Pirineo natural park and the Sau-Susqueda-Pasteral reservoirs on the River Ter (Girona).

Brazil

Environmental days. ENDESA Brazil celebrated three environment days in 2013, involving company volunteers:

- **World Water Day:** Educational activity to promote the preservation of water and the importance of responsible consumption. The activity was attended by public school students from the Niterói area.
- **World Tree Day:** An environmental awareness activity to demonstrate the importance of preserving native vegetation and provide information on the region's indigenous culture. 50 seedlings were planted in a move to restore native vegetation in the area.
- **World Environment Day:** Education and awareness raising through a series of concerted clean up and waste collection activities in an area of high biodiversity.

Chile

Huinay Foundation: The mission of the Huinay Foundation is to protect and preserve the bio-geographical heritage of Huinay and Chile's fjord region through the implementation of a project based on scientific research and the concept of sustainable development.



In 2013, Euro 860,150 was invested in this area and 23 new articles were published in international scientific magazines. Further, the Foundation's scientific team made 28 presentations at international congresses in order to raise awareness of the high biodiversity of the North Patagonia region in Chile. More scientists from Chile and other parts of the world visited the Huinay Scientific Field Station than ever before. In all, 90 researchers stayed at Huinay in 2013.

Further, the Foundation supported the Huinay community through the supply of electricity, internet for schools, transport services and medical aid.

More information on the Foundation's main activities in 2013 can be found in the section on biodiversity conservation in the Chapter entitled "Commitment to environmental protection" and at www.fundacionhuinay.cl.

Colombia

Endesa Forest. The Endesa Forest initiative was designed to protect and restore 690 hectares of high-Andean forest to create an environmentally protected area in the towns of Soacha and San Antonio del Colegio.

For more information see Chapter on "Commitment to environmental protection ", section 7. Biodiversity conservation (pg. 157).



Sustainable mobility. As part of the Sustainable Mobility Business plan (PEMS), an initiative developed in agreement with ANDI, Universidad de los Andes and the Chevrolet Foundation, in 2013 awareness was raised among the general public in relation to sustainable mobility by promoting car sharing on work-related trips. Additionally, six meetings were held at various company offices to issue public transport tickets (SITP). 711 ticket cards were issued.

Peru

Environmental talks. In coordination with the town of Talara, the Environmental Management Subdivision or-

ganised a talk to raise awareness of the environment in the community which was attended by nearly 50 people.

Cleaning of beaches. In coordination with the Environmental Management Subdivision of the town of Talara, in late 2013 a group of employees and their families took part in a beach-cleaning campaign to encourage the local population to look after the natural resources in the area and also to prevent disease.

Sowing life. As part of the Sowing Life programme, Edegel celebrated World Environment Day by planting 2,300 ornamental seedlings of various species. Members of the local community took part in the activity, in addition to local school children and students.

Awareness campaigns to prevent forest fires. In order to raise awareness among communities close to the Yanango and Chimay hydroelectric plants in the department of Junín, two radio spots were organised to discuss pasture burning, broadcast on 11 programmes over a month in collaboration with local journalists. The initiative aimed to promote practices to protect the environment, highlighting the negative effects of pasture and forest burning on hillsides. Edegel also took part in reforestation activities in the Vitoc district during National Forest Week.

3.5. Corporate volunteerism

In the area of corporate volunteerism, ENDESA employees collaborate on numerous projects to promote the social development of the communities. Corporate volunteers act as drivers of social projects which in turn brings the Company closer and more involved with its stakeholders and boosts the personal development and commitment of participants.

Some of the most important projects are:

Spain and Portugal



Creceer + Project: Developed through the Exit Foundation's Coach Project, in 2013, ENDESA launched this mentoring and coaching programme for young people at risk of social exclusion. The initiative was popular among employees who are tasked with accompanying and advising teenagers over a period of several days to improve their employability and inclusion society and the job market.

Following a pilot scheme run in Barcelona and Zaragoza, the first programme was launched in 2013 with 13 volunteers in Madrid and 14 in Barcelona. A total of 23 young people were helped in these three cities in 2013.



Food collection campaign "Together we can achieve more". For the second year running, this initiative was rolled out at ENDESA's various offices in Spain to collect food for underprivileged people. More than 9,400 kilos of food and 50 kilos of hygiene products were donated by employees and sent to Banco de Alimentos, Cáritas, NGO Cooperación Internacional and the Dar foundation.

Corporate Charity Day. For the second year running, ENDESA took part in Corporate Charity Day on 19 October, during which over 23 employees in Madrid, Seville and Zaragoza carried out volunteer activities. These included:



- Madrid: a football match was organised for young people with mental disabilities,
- Seville: food was distributed to families at risk of social exclusion, and
- Zaragoza: a bowling tournament was held for children at risk of social exclusion.

Argentina

A programme was implemented to recycle paper and plastic lids by the Dr. Juan Garrahan Children's Hospital Foundation. 33,047 kilos of paper and cardboard were collected for recycling, in addition to 225 kilos of plastic.

For more information see section 3.3 of this Chapter, Social Development and Quality of Life (pg. 244).

Brazil



In 2012, the volunteer programme "**Rede do Bem**" (welfare network) was launched in Brazil as an umbrella for all social initiatives being carried out by ENDESA companies in the

country. In 2013, a variety of projects were developed including the building of infrastructure, clean up and restoration of natural spaces, planting trees or programmes carried out in some 15 different institutions including schools, nurseries, and centres for the elderly. 300 employees took part in these initiatives which directly benefited 2,715 people.

Chile

Chilectra University Chair and Pasántías teacher training programme. These projects form part of the Enabling Electricity initiative. The objective of the first is to train vulnerable young people to be electricians and the second aims to improve the technical and teaching skills of those teaching this type of course. In 2013, 100 Endesa employees in Chile took part in these projects, sharing their knowledge and experience in the sector by acting as teachers.

We are energy (Somos energía) programme. A corporate volunteer programme led by Chilectra in 2013 combining social projects with employee interests and motivation, thereby promoting the corporate values that define the way in which the company relates to the communities where it operates. 27 employees took part in different activities over the year, such as tutoring programmes for students at the Vicente Pérez Rosales Industrial School, Quinta Normal and reforestation of the Renca hillside involving a total of 175 of volunteer hours.

Colombia

The Human Resources Department seeks to encourage ENDESA's employees in Colombia to voluntarily dedicate their time and effort to social initiatives to help the community. In 2013, three initiatives were carried out, to which 80 employees of ENDESA dedicated 480 working hours.

Adopt an Angel at Christmas campaign. During the Christmas period, 447 gifts were donated by ENDESA employees for children and grandparents at six foundations in Bogotá, Chía and Mesitas del Colegio. 20 volunteers helped to deliver the presents.

Give in a plastic lid and help save a life. The objective of this project was to collect more than 100 of plastic lids for recycling, using the money obtained to help pay for the treatment of children with cancer at the Sanar Foundation. 156.5 tons of plastic were collected, more than 70 million plastic lids. On collection day, over 20 volunteers from Codensa and Emgesa attended the drive and helped with weighing and deliveries and other activities.

Endesa Forest Walk with patients from the Simmon Foundation. Endesa forest paths provided an ideal location for company volunteers and their families to take part in a nature walk with 50 patients from the Simmon Foundation, which treats cancer patients.

The initiative evidenced the importance for volunteers and patients alike of carrying out awareness raising activities to promote environmental protection. Volunteers and patients also planted trees as a metaphor for the value of life with a total of 40 planted throughout the forest.

Peru

In 2013, a Christmas campaign was carried out, and a volunteer initiative at the Santa Elena school to help the development of the local community through an educational project to improve the quality of life for the inhabitants of Caserío. In total, more than Euro 218,000 were invested in these two programmes.





Appendices

Appendix I. ENDESA, committed to reporting on sustainability

ENDESA's commitment to sustainable, responsible growth is reflected in its management model, aimed at creating long-term value for the communities where the Company operates. In this way, ENDESA integrates sustainability principles into its mission, vision, business values and decision making.

Every year we give a public account of our performance of the duties and obligations we have voluntarily undertaken to our customers, shareholders, employees and local communities, to ethical behaviour and transparency, technological innovation and energy efficiency, the environment and climate change.

The ENDESA 2013 Sustainability Report details the main initiatives undertaken in the year to meet the expectations of our stakeholders based on ENDESA's 2013 Sustainability Plan.

Key to ENDESA's transparency objective is the publication of its Sustainability Report, as well as other corporate reports, on an annual basis. The Company publishes other annual corporate reports, including its Annual Report which comprises Legal Documentation, the Operations Review and the Annual Corporate Governance Report. The Company also discloses information on its activities relating to its social commitments in Spain through the Endesa and Sevillana–Endesa Foundations' Annual Reports. It also issues a specific publication to make the quarterly information supplied to the financial markets available to its shareholders, investors and other stakeholders.

For more information on sustainability, the following channels are available:

Websites

ENDESA **www.endesa.com** Spain and general information on the ENDESA Group.

Energis **www.energis.cl** Chile

Chilectra **www.chilectra.cl** Chile

Emgesa **www.emgesa.com.co** Colombia

Codensa **www.codensa.com.co** Colombia

Edelnor **www.edelnor.com.pe** Peru

Edegel **www.edegel.com** Peru

Edesur **www.edesur.com.ar** Argentina

Coelce **www.coelce.com.br** Brazil

Customer-specific channels

- Customer Service: Customer Service Telephone 902 509 950
- Online Office: **www.endesaonline.com** 902 52 58 52 to help customers use the online channel
- Customer Ombudsman: **www.defensordelcliente.endesa.es**

Shareholders and investors

Investor Relations:

Spain:

Ribera del Loira, 60. 28042 Madrid

Telephone: + 34 91 213 15 03,

ir@endesa.es

Spain Shareholders' Office:

Ribera del Loira, 60. 28042 Madrid

Telephone: 900 666 900

eoaccionista@endesa.es

Suppliers

Cenit (ENDESA's service for external suppliers), Billing, Receipts and Payments Department:

C/ Ribera del Loira, 60. 28042 Madrid

Tel: 91 213 4848 - Fax: 91 213 48 49

e-mail: **cenit@endesa.es**

Employees and their representatives

- Corporate Portal: Intranet
- Employees' mailboxes:
 - Sustainability mailbox.
 - Green mailbox.
 - Corporate Communication mailbox.
 - Assessment Quality Thermometer mailbox.
 - Corporate Intranet Suggestions mailbox.
 - Nostrum Forums for Spain and Portugal.
 - Nostrum Suggestions mailbox.
 - Enersis-Chile Queries mailbox
- Websites of ENDESA's trade unions:

www.ugtendesa.com

www.ccooendesa.com

Customer Service Points

- "Contacte con nosotros" channel: <http://www.endesa.com/es/Contacto>, and click on "Sustainability".
- Ethics channel: <http://www.endesa.com/es/accionistas/gobiernocorp/canaletico>

For all sustainability and environmental issues, as well as other aspects regarding the contents of ENDESA's Sustainability Report, please contact:

Hernán Cortés Soria **Sustainability Director, ENDESA**

Ribera del Loira, 60

28042 Madrid (Spain)

E-mail: sostenibilidad@endesa.es

Appendix II. Independent review report



Ernst & Young, S.L.
Torre Picasso
Plaza Pablo Ruiz Picasso, 1
28020 Madrid
Spain

Tel: 915 727 200
Fax: 915 727 238
ey.com

INDEPENDENT REVIEW REPORT ON ENDESA, S.A. 2013 SUSTAINABILITY REPORT

Translation of a Sustainability Report originally issued in Spanish. In the event of discrepancy, the Spanish-language version prevails.

To the Management of ENDESA, S.A.

Scope of work

We have reviewed the contents of ENDESA's 2013 Sustainability Report (hereinafter, the Report).

The scope of our review includes the reported information which encompasses Endesa S.A. as well as its subsidiaries located in the Iberian Peninsula (Spain and Portugal), Latin America (Chile, Argentina, Brazil, Colombia, and Peru) as well as other countries (Morocco). The scope of the Endesa S.A. (the Company or Endesa) is defined in the "Scope of the Report" of the accompanying Report.

The Report was prepared in accordance with the following guidelines:

- The Preparation Guide for Sustainability Reports included in the Global Reporting Initiative (GRI) version 3.1 as well as the Electric Utilities Sector Supplement Guide
- The principles described in the AA1000 AccountAbility Principles Standard (2008) issued by AccountAbility (Institute of Social and Ethical Accountability)

The preparation of the accompanying Report, as well as the information contained therein, is the responsibility of the Administrative Bodies and Management of ENDESA. They are also responsible for defining, adapting, and maintaining the management and internal control systems from which the information is obtained. Our responsibility is to issue an independent report based on the procedures applied in our review.

Criteria

Our review was carried out based on:

- The Guidelines for reviewing Sustainability Reports, issued by the Spanish Institute of Chartered Accountants (ICJCE, Instituto de Censores Jurados de Cuentas de España in Spanish)
- Standard ISAE 3000, "Assurance Engagements Other than Audits or Reviews of Historical Financial Information," issued by the International Auditing and Assurance Standard Board (IAASB) of the International Federation of Accountants (IFAC), with a limited level of assurance
- AA1000 AccountAbility Principles Standard (2008), with a moderate level of type 2 assurance, which deals with the nature and scope of ENDESA's compliance, while assessing the reliability of the information regarding performance

Applied Procedures

Our review consisted in requesting information from Corporate Managers and the various managers of business units participating in the preparation of the Report, and the applicable processes and analytic procedures and sampling review tests as described in general terms below:

- 1) Interviews with the Company's Sustainability Management team in order to gain awareness of how the Report was prepared. Interviews with key transversal management personnel participating in the preparation and definition of the contents of the Report
- 2) Review of the reporting systems and processes employed, and adhesion to the 2008-2012 Endesa's Sustainability Plan, which was extended to 2013, derived from the process for aligning and integrating commitments and objectives in the macro-environments of the ENEL Group's Sustainability Plan
- 3) Review of the appropriateness of the report's structure and contents in line with GRI Preparation Guide (version G3.1) as well as the Electric Utilities Sector Supplement Guide
- 4) Review of quantitative and qualitative information using analytic review and other review procedures performed based on a sample and correct compilation of indicators and data supplied by the information sources included in the Report
- 5) Review of the consistency of the information included in the Report and the information reported and published with respect to other publicly available information, such as: Annual Report, Activities Report, Management Report, and Corporate Governance Report

This review is considerably less in scope than a reasonable assurance work. Therefore, the degree of assurance is also less. This report in no case should be considered an audit report.

These procedures were performed on information published in ENDESA's 2013 Sustainability Report with the abovementioned scope.

Independence

We have performed our work in accordance with the standards of independence required by the Code of Ethics of the International Federation of Accountants (IFAC).

Registered address: Pl. Pablo Ruiz Picasso, 1. 28020 Madrid - inscribed in the Mercantile Register of Madrid in Tome 12749, Book 0, Folio 215, Section 8, Page M-23123, Inscription 116. C.I.F. B-78970506.

A member firm of Ernst & Young Global Limited.

Conclusions

As a result of our review of the 2013 Sustainability Report, within the previously described scope, we conclude that:

- No matter came to our attention that would indicate that the Report was not prepared according to the Guidelines included in the Global Reporting Initiative Preparation Guide (GRI V3.1) for Sustainability Reports
- Nor have we detected that the remaining information and indicators included in Appendix V of the Report contains significant errors, or that it was not prepared in accordance with the principles established in standard AA1000 APS (2008) issued by AccountAbility, such as:
 - ✓ **Inclusiveness:** The mechanisms are established to identify stakeholders and gain awareness and understanding of their expectations. ENDESA has formally opened lines of communication with its stakeholders, having performed several studies from both an internal and external point of view, as well as updating current communication channels
 - ✓ **Relevance:** A materiality analysis was carried out to select the key issues and improvement opportunities to be included in the Report. The results of this analysis are likewise incorporated in the Endesa's Sustainability Plan as reflected in the seven Commitments and the two Challenges therein. ENDESA's materiality study is aimed at identifying and prioritizing relevant sustainability issues for the Company
 - ✓ **Responsiveness:** The Company articulates and communicates its responses to the main challenges set out by stakeholders via the Commitments and Challenges included in the Endesa's Sustainability Plan. In addition, ENDESA has thoroughly analyzed fulfillment of these objectives throughout the period as well as identifying those objectives that will form part of the next Sustainability Plan in light of their maturity and relevance

The AA1000 APS (2008) principles are detailed in the chapter of the Report entitled "ENDESA, a leading group in the global electricity market".

Recommendations

We have also presented to ENDESA's Sustainability Management team our recommendations regarding areas of improvement related to the application of standard AA1000 APS (2008), as well as relationship with main stakeholders identified.

Our most significant observations are summarized below:

a) Inclusiveness:

ENDESA ensures a policy of transparency, open communication in its relationships and ethical behavior in all its activities, striving to improve communication and increase dialogue with its stakeholders at all levels and in all countries in which the Company operates.

We recommend that ENDESA continue the process initiated during this period with respect to the advance identification of the stakeholder groups and subgroups and their alignment with the Enel Group's strategy.

b) Relevance:

ENDESA's materiality analysis is aimed at identifying and prioritizing the Company's relevant sustainability issues for each of the seven Commitments and two Challenges included in the Endesa's Sustainability Plan.

We recommend stepping up the process for integrating, analyzing, consolidating, and prioritizing information to determine material issues and their scope at the different levels of the Company.

c) Responsiveness:

The Report's chapters cover achievements and advances in the area of Commitments and Challenges, as well as in material aspects.

This Report analyzes the success in reaching the Endesa's Sustainability Plan targets, noting the especially high degree of compliance achieved in response to demands made by the stakeholders.

Our recommendation is to continue strengthening the development of local level activities included in the Plan, with a view to offering a global vision of sustainability.

This report has been prepared solely for the Management of ENDESA, S.A. in accordance with the terms set out in our engagement letter.

ERNST & YOUNG, S.L.



(Signed on the original in Spanish)

José Luis Perelli Alonso
Partner

Madrid, April 22, 2014

Appendix III. GRI Application Level Check Statement



Statement GRI Application Level Check

GRI hereby states that **ENDESA** has presented its report "Sustainability Report 2013" to GRI's Report Services which have concluded that the report fulfills the requirement of Application Level A+.

GRI Application Levels communicate the extent to which the content of the G3.1 Guidelines has been used in the submitted sustainability reporting. The Check confirms that the required set and number of disclosures for that Application Level have been addressed in the reporting and that the GRI Content Index demonstrates a valid representation of the required disclosures, as described in the GRI G3.1 Guidelines. For methodology, see www.globalreporting.org/SiteCollectionDocuments/ALC-Methodology.pdf

Application Levels do not provide an opinion on the sustainability performance of the reporter nor the quality of the information in the report.

Amsterdam, 24 April 2014

A handwritten signature in dark ink, appearing to read "Ásthildur Hjaltadóttir".

Ásthildur Hjaltadóttir
Director Services
Global Reporting Initiative



The "+" has been added to this Application Level because ENDESA has submitted (part of) this report for external assurance. GRI accepts the reporter's own criteria for choosing the relevant assurance provider.

The Global Reporting Initiative (GRI) is a network-based organization that has pioneered the development of the world's most widely used sustainability reporting framework and is committed to its continuous improvement and application worldwide. The GRI Guidelines set out the principles and indicators that organizations can use to measure and report their economic, environmental, and social performance. www.globalreporting.org

Disclaimer: Where the relevant sustainability reporting includes external links, including to audio visual material, this statement only concerns material submitted to GRI at the time of the Check on 7 April 2014. GRI explicitly excludes the statement being applied to any later changes to such material.

Appendix IV. GRI content

G3.1 CONTENT INDEX - ELECTRIC UTILITIES SECTOR SUPPLEMENT

Application level assured by

STANDARD DISCLOSURES PART I: Profile disclosures

1. Strategy and analysis

Profile disclosure	Disclosure	Level of reporting	Location of disclosure	For partially reported disclosures, indicate the part not reported	Reason for omission	Explanation for the reason for omission
1.1	Statement from the most senior decision-maker of the organisation.	Full	Pg. 6-9.			
1.2	Description of key impacts, risks, and opportunities.	Full	Pg. 13 (ENDESA key figures); Pg. 18-21 (ENDESA's Sustainability Plan); Pg. 35-38 (Engagement with communities involved in the El Quimbo project); Pg. 38-39 (Neltume Hydroelectric Project); Pg. 39-40 (Alcalde Hydroelectric Project); Pg. 40 (Bocamina Project); Pg. 40 (ENDESA and social networks).			

2. Organisational profile

Profile disclosure	Disclosure	Level of reporting	Location of disclosure	For partially reported disclosures, indicate the part not reported	Reason for omission	Explanation for the reason for omission
2.1	Name of the organisation.	Full	Pg. 14-16 (About us).			
2.2	Primary brands, products, and/or services.	Full	Pg. 14 (Main business areas).			
2.3	Operational structure of the organisation, including main divisions, operating companies, subsidiaries, and joint ventures.	Full	Pg. 14 (Spanish and Portuguese Business Unit; Latin America Business Unit).			
2.4	Location of organisation's headquarters.	Full	Pg. 256 (Appendix I).			
2.5	Number of countries where the organisation operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.	Full	Pg. 15-16 (Energy business).			
2.6	Nature of ownership and legal form.	Full	Pg. 41 (Scope of the Report).			
2.7	Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries).	Full	Pg. 15-16 (Energy business).			
2.8	Scale of the reporting organisation.	Fully	ENDESA BOUNDARY - Pg. 13 (ENDESA key figures) - NO. OF EMPLOYEES 22,995.			
2.9	Significant changes during the reporting period regarding size, structure, or ownership.	Full	Pg. 41 (Scope of the Report).			

Profile disclosure	Disclosure	Level of reporting	Location of disclosure	For partially reported disclosures, indicate the part not reported	Reason for omission	Explanation for the reason for omission
2.10	Awards received in the reporting period.	Full	Pg. 56 (Ampla awarded top electricity utility for customer service); Pg. 90 (in the area of corporate social responsibility, Cegos - Equipos&Talento award for best practices in human resources); Pg. 88-89 (Health and Safety in the Workplace awards); Pg. 129 (ENDESA voted as IBEX 35 company offering the best publicly available information); Pg. 145 (Fondena Award for the environmental restoration of the As Pontes mine); Pg. 160 (Business Innovation Award from the financial and economic newspaper Cinco Días for the best corporate social responsibility project involving the restoration of the As Pontes mine); Pg. 184 (Chilectra claims top IDDEO 2013 award in the Service Companies category, hosted by the Ministry of Finance); Pg. 209 (Chilectra received sustainability award from Chile's Technology Development Corporation (CDT)); Pg. 214 (Zem2All project ranked among 100 best ideas by Actualidad Económica magazine).			
EU1	Installed capacity, broken down by primary energy source and by regulatory regime.	Full	Pg. 48-49 and 51-52 (Development and improvement of distribution infrastructure); Pg. 13 (ENDESA key figures).			
EU2	Net energy output broken down by primary energy source and by regulatory regime.	Full	Pg. 13 (ENDESA key figures); Pg. 15-16 (Energy business); Pg. 206-207 (Active participation in developing renewable energies).			
EU3	Number of residential, industrial, institutional and commercial customer accounts.	Full	Pg. 48-50 (Customers in Spain and Portugal); Pg. 51-52 (Customers in Latin America); Pg. 47 (Key financial data); Pg. 13 (ENDESA key figures).			
EU4	Length of above and underground transmission and distribution lines by regulatory regime.	Full	Pg. 48-49 and 51-52 (Development and improvement of distribution infrastructure).			
EU5	Allocation of CO2e emissions allowances or equivalent, broken down by carbon trading framework.	Full	Pg. 215-216 (CDM portfolio); Pg. 217 (Carbon Funds).			

3. Report parameters

Profile disclosure	Disclosure	Level of reporting	Location of disclosure	For partially reported disclosures, indicate the part not reported	Reason for omission	Explanation for the reason for omission
3.1	Reporting period (e.g., fiscal/ calendar year) for information provided.	Full	Pg. 41 (Aims of the Report); Pg. 43 (Completeness).			
3.2	Date of most recent previous report (if any).	Full	Pg. 43 (Completeness).			
3.3	Reporting cycle (annual, biennial, etc.).	Full	Pg. 41 (Aims of the Report).			
3.4	Contact point for questions regarding the report or its contents.	Full	Pg. 256 (Appendix I).			

Profile disclosure	Disclosure	Level of reporting	Location of disclosure	For partially reported disclosures, indicate the part not reported	Reason for omission	Explanation for the reason for omission
3.5	Process for defining report content.	Full	Pg. 32-34 (Dynamic assessment and prioritisation of material issues: 2013 Materiality Study); Pg. 42 (Relevance (AA 1000 APS) - Materiality (GRI G3.1)).			
3.6	Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers). See GRI Boundary Protocol for further guidance.	Full	Pg. 41 (Scope of the Report).			
3.7	State any specific limitations on the scope or boundary of the report (see completeness principle for explanation of scope).	Full	Pg. 41 (Scope of the Report).			
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organisations.	Full	Pg. 41 (Scope of the Report).			
3.9	Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the Indicators and other information in the report. Explain any decisions not to apply, or to substantially diverge from, the GRI Indicator Protocols.	Full	Pg. 41 (Scope of the Report).			
3.10	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement (e.g., mergers/ acquisitions, change of base years/periods, nature of business, measurement methods).	Full	Pg. 41 (Scope of the Report).			
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.	Full	Pg. 41 (Scope of the Report).			
3.12	Table identifying the location of the Standard Disclosures in the report.	Full	Pg. 3 (Index).			
3.13	Policy and current practice with regard to seeking external assurance for the report.	Full	Pg. 43 (Completeness); Pg. 41 (Scope of the Report); Pg. 258 (Appendix II - Independent Review Report).			
4. Governance, commitments, and engagement						
Profile disclosure	Disclosure	Level of reporting	Location of disclosure	For partially reported disclosures, indicate the part not reported	Reason for omission	Explanation for the reason for omission
4.1	Governance structure of the organisation, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organisational oversight.	Full	Pg. 112-114 (ENDESA, a model of corporate governance and transparency); also see: http://www.endesa.com/es/conoceendesa/organosdegobierno/Paginas/OrganosdeGobierno.aspx			

Profile disclosure	Disclosure	Level of reporting	Location of disclosure	For partially reported disclosures, indicate the part not reported	Reason for omission	Explanation for the reason for omission
4.2	Indicate whether the Chair of the highest governance body is also an executive officer.	Full	Pg. 112-114 (ENDESA, a model of corporate governance and transparency); http://www.endesa.com/			
4.3	For organisations that have a unitary board structure, state the number and gender of members of the highest governance body that are independent and/or non-executive members.	Full	Pg. 112-114 (ENDESA, a model of corporate governance and transparency); http://www.endesa.com/			
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.	Full	Pg. 112 (Shareholder participation); Pg. 115-116 (Ethics channel).			
4.5	Linkage between compensation for members of the highest governance body, senior managers, and executives (including departure arrangements), and the organisation's performance (including social and environmental performance).	Full	Pg. 113 (Director remuneration).			
4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided.	Full	Pg. 113-114 (Directors' responsibilities and duties).			
4.7	Process for determining the composition, qualifications, and expertise of the members of the highest governance body and its committees, including any consideration of gender and other indicators of diversity.	Full	Pg. 113-114 (Directors' responsibilities and duties).			
4.8	Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation.	Full	Pg. 17 (Vision, mission and values).			
4.9	Procedures of the highest governance body for overseeing the organisation's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles.	Full	Pg. 115-121 (Codes of Ethics and the fight against fraud and corruption).			
4.10	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance.	Full	Pg. 115-121 (Codes of Ethics and the fight against fraud and corruption).			
4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organisation.	Full	Pg. 18-21 (ENDESA's 2013 Sustainability Plan).			
4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organisation subscribes or endorses.	Full	Pg. 22-25 (Compliance with international standards for sustainable management).			

Profile disclosure	Disclosure	Level of reporting	Location of disclosure	For partially reported disclosures, indicate the part not reported	Reason for omission	Explanation for the reason for omission
4.13	Memberships in associations (such as industry associations) and/or national/international advocacy organisations in which the organisation: * Has positions in governance bodies; * Participates in projects or committees; * Provides substantive funding beyond routine membership dues; or * Views membership as strategic.	Full	Pg. 22-25 (Compliance with international standards for sustainable management); Pg. 64-65 (Responsibility for informing customers); Pg. 224-225 (ENDESA's active involvement in national and international bodies and/or initiatives tackling climate change).			
4.14	List of stakeholder groups engaged by the organisation.	Full	Pg. 28-40 (ENDESA and its stakeholders).			
4.15	Basis for identification and selection of stakeholders with whom to engage.	Full	Pg. 30-35 (An approach to management based on the most advanced principles).			
4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.	Full	Pg. 28-40 (ENDESA and its stakeholders).			
4.17	Key topics and concerns that have been raised through stakeholder engagement, and how the organisation has responded to those key topics and concerns, including through its reporting.	Full	Pg. 32-34 (Dynamic assessment and prioritisation of material issues).			

STANDARD DISCLOSURES PART II: Disclosures on Management Approach (DMAs)

G3.1 EUSS DMAs	Disclosure	Level of reporting	Location of disclosure	For partially reported disclosures, indicate the part not reported	Reason for omission	Explanation for the reason for omission	To be reported in
DMA EC	Disclosure on Management Approach EC						
Aspects	Economic performance	Full	Pg. 135 (Wealth generation in 2013).				
	Market presence	Full	Pg. 15-16 (Energy business).				
	Indirect economic impacts	Full	Pg. 135 (Wealth generation in 2013).				
	Availability and reliability	Full	Pg. 49-50/52-53 (Continuity of supply).				
EU6	Management approach to ensure short and long-term electricity availability and reliability	Full	Pg. 49-50/52-53 (Continuity of supply).				
	Demand-side management	Full	Pg. 49-50/52-53 (Continuity of supply); Pg. 180-181 (Active demand management).				
EU7	Demand-side management programmes including residential, commercial, institutional and industrial programmes	Full	Pg. 180-181 (Active demand management); Pg. 171-172 (Efficiency in thermal power plants).				
	System efficiency	Full	Pg. 171-172 (Efficiency in thermal power plants); Pg. 2008-209 (Energy efficiency for lower CO ₂ intensity).				
	Research and development	Full	Pg. 173-174 (Model of technology leadership).				

G3.1 EUSS DMAs	Disclosure	Level of reporting	Location of disclosure	For partially reported disclosures, indicate the part not reported	Reason for omission	Explanation for the reason for omission	To be reported in
EU8	Research and development activity and expenditure aimed at providing reliable electricity and promoting sustainable development	Full	Pg. 49-50/52-53 (Continuity of supply); Pg. 173-174 (Model of technology leadership).				
	Plant decommissioning	Full	Future costs which the Group must assume relating to the decommissioning of power plants will be added to the value of the asset at present value including the corresponding provision. The Group revises estimates for these future costs annually and increases or decreases the value of the asset depending on the outcome of said estimate. For nuclear plants this provision includes the estimated amount the Group must pay until, pursuant to Royal Decree 1349/2003, of 31 October and Act 24/2005, of 18 November, Enresa, the public nuclear waste management body, takes over the decommissioning of these facilities.				
EU9	Provisions for decommissioning of nuclear power sites	Full	Future costs which the Group must assume relating to the decommissioning of power plants will be added to the value of the asset at present value including the corresponding provision. The Group revises estimates for these future costs annually and increases or decreases the value of the asset depending on the outcome of said estimate. For nuclear plants this provision includes the estimated amount the Group must pay until, pursuant to Royal Decree 1349/2003, of 31 October and Act 24/2005, of 18 November, Enresa, the public nuclear waste management body, takes over the decommissioning of these facilities.				
DMA EN	Disclosure on Management Approach EN						
Aspects	Materials _{COMM}	Full	Pg. 168-170 (Fuel consumption).				
	Energy	Full	Pg. 168-170 (Fuel consumption).				
	Water _{COMM}	Full	Pg. 144 (Process water consumption).				
	Biodiversity _{COMM}	Full	Pg. 157-163 (Biodiversity conservation).				
	Emissions, effluents and waste _{COMM}	Full	Pg. 222-223 (CO ₂ emissions); Pg. 154-156 (Management and reduction of waste, recovery of materials from ash and slag); Pg. 144 (Water discharges).				
	Products and services	Full	Pg. 73-75 (Safety and ongoing improvement in all stages of the life cycle of ENDESA's products and services).				
	Compliance	Full	Pg. 152 (Management of environmental incidents).				
	Transport	Full	Given the nature of its activities, ENDESA's indirect greenhouse gas emissions, i.e. excluding electricity generation, in other words, from exhaust fumes, are considered irrelevant in like-for-like terms.				

G3.1 EUSS DMAs	Disclosure	Level of reporting	Location of disclosure	For partially reported disclosures, indicate the part not reported	Reason for omission	Explanation for the reason for omission	To be reported in
	Overall	Full	Pg. 140-141 (ENDESA's response to environmental challenges).				
DMA LA	Disclosure on Management Approach LA						
Aspects	Employment	Full	Pg. 77-107 (People).				
EU14	Programs and processes to ensure the availability of a skilled workforce	Full	Pg. 98-101 (Training at ENDESA); Pg. 84 (Workplace accident prevention, training and inspections).				
EU15	Percentage of employees eligible to retire in the next 5 and 10 years broken down by job category and by region	Full	Pg. 82 (ENDESA's workforce).				
EU16	Policies and requirements regarding health and safety of employees and subcontractors	Full	Pg. 84 (Workplace accident prevention, training and inspections).				
	Labor/management relations	Full	Pg. 90-95 (Responsible people management at ENDESA); Pg. 107 (Social dialogue).				
	Occupational health and safety	Full	Pg. 83-89 (ENDESA, a safe and healthy workplace); Pg. 196 (The results of a joint effort).				
	Training and education	Full	Pg. 98-101 (Training at ENDESA); Pg. 84 (Workplace accident prevention, training and inspections).				
	Diversity and equal opportunity	Full	Pg. 80-82 (ENDESA's workforce).				
	Equal remuneration for women and men	Full	Pg. 104-106 (Remuneration policy).				
DMA HR	Disclosure on Management Approach HR						
Aspects	Investment and procurement practices	Full	Pg. 191-192 (Global Compact and Code of Ethics).				
	Non-discrimination	Full	Pg. 115-116 (Ethics channel); Pg. 90-95 (Responsible people management at ENDESA).				
	Freedom of association and collective bargaining	Full	Pg. 107 (Social dialogue).				
	Child labour	Full	Pg. 26-27 (Protection of human rights).				
	Prevention of forced and compulsory labour	Full	Pg. 26-27 (Protection of human rights).				
	Security practices	Full	Pg. 84 (Workplace accident prevention, training and inspections).				
	Indigenous rights	Full	Pg. 26-27 (Protection of human rights), Pg. 191-192 (Global Compact and Code of Ethics).				
	Assessment	Fully	Pg. 26-27 (Protection of human rights); Pg. 191-192 (Global Compact and Code of Ethics).				
	Remediation	Fully	26-27 (Protection of human rights).				
DMA SO	Disclosure on Management Approach SO						

G3.1 EUSS DMAs	Disclosure	Level of reporting	Location of disclosure	For partially reported disclosures, indicate the part not reported	Reason for omission	Explanation for the reason for omission	To be reported in
Aspects	Local communities	Full	Pg. 151-152 (Integrated environmental authorisation and impact studies); Pg. 35-38 (Engagement with communities involved in the El Quimbo project); Pg. 38-39 (Neltume Hydroelectric Project); Pg. 39-40 (Alcalde Hydroelectric Project); Pg. 40 (Bocamina Project); Pg. 237-240 (Access to energy); Pg. 48-54 (Quality of the electricity supply as a priority); Pg. 28-40 (ENDESA and its stakeholders).				
EU19	Stakeholder participation in the decision making process related to energy planning and infrastructure development	Full	Pg. 53-54 (Programmes to improve or maintain access to electricity).				
EU20	Approach to managing the impacts of displacement	Full	Pg. 35-38 (Engagement with communities involved in the El Quimbo project); Pg. 40 (Bocamina Project).				
	Corruption	Full	Pg. 115-121 (Codes of Ethics and the fight against fraud and corruption).				
	Public policy	Full	Pg. 221-223 (Institutional allies in combating climate change).				
	Anti-competitive behavior	Full	Pg. 115-121 (Codes of Ethics and the fight against fraud and corruption).				
	Compliance	Full	Pg. 117-121 (Sanctions applied).				
	Disaster/Emergency planning and response	Full	Pg. 73-75 (Safety and ongoing improvement in all stages of the life cycle of ENDESA's products and services - Management of disasters and emergencies).				
EU21	Contingency planning measures, disaster/emergency management plan and training programmes, and recovery/ restoration plans	Full	Pg. 73-75 (Safety and ongoing improvement in all stages of the life cycle of ENDESA's products and services - Management of disasters and emergencies).				
DMA PR	Disclosure on Management Approach PR						
Aspects	Customer health and safety	Full	Pg. 73-75 (Safety and ongoing improvement in all stages of the life cycle of ENDESA's products and services - Management of disasters and emergencies); Pg. 83-84 (Common occupational health and safety management).				
	Product and service labelling	Full	Pg. 64-65 (Responsibility for informing customers).				
	Marketing communications	Full	Pg. 66-68 (Customer satisfaction).				
	Customer privacy	Full	Pg. 64-65 (Responsibility for informing customers).				
	Compliance	Full	Pg. 34-35 (Responsibility for informing customers).				
	Access	Full	Pg. 237-240 (Access to energy).				
EU23	Programs, including those in partnership with government, to improve or maintain access to electricity and customer support services	Full	Pg. 53-54 (Programmes to improve or maintain access to electricity); Pg. 237-240 (Access to energy).				

G3.1 EUSS DMAs	Disclosure	Level of reporting	Location of disclosure	For partially reported disclosures, indicate the part not reported	Reason for omission	Explanation for the reason for omission	To be reported in
	Provision of information	Full	Pg. 65 (Eliminating barriers); Pg. 93-94 (Commitment to people with different capabilities and those at risk of social exclusion).				
EU24	Practices to address language, cultural, low literacy and disability related barriers to accessing and safely using electricity and customer support services	Full	Pg. 65 (Eliminating barriers); Pg. 93-94 (Commitment to people with different capabilities and those at risk of social exclusion).				

STANDARD DISCLOSURES PART III: Performance Indicators

Economic							
Indicator	Disclosure	Level of reporting	Location of disclosure	For partially reported disclosures, indicate the part not reported	Reason for omission	Explanation for the reason for omission	To be reported in
Economic performance							
EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments	Full	Pg. 135 (Wealth generation in 2013).				
EC2	Financial implications and other risks and opportunities for the organisation's activities due to climate change	Full	Pg. 206-220 (ENDESA's contribution to combating climate change); Pg. 215 (CDM portfolio); Pg. 217 (Carbon Funds).				
EC3	Coverage of the organisation's defined benefit plan obligations	Full	Pg. 104-106 (Pension plans). The terms and conditions of the pension plan are laid out in the Company's framework agreements.				
EC4	Significant financial assistance received from government	Full	Pg. 173-174 (Model of technology leadership); Pg. 112 (Leadership of the Board of Directors). No other type of aid is received.				
Market presence							
EC5	Range of ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation						
EC6	Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation	Full	Pg. 197-198 (Commitments to local suppliers).				
EC7	Procedures for local hiring and proportion of senior management hired from the local community at significant locations of operation	Full	Pg. 102-106 (Attracting and retaining talent).				
Indirect economic impacts							
EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement	Full	Pg. 234-235 (ENDESA's social development actions); Pg. 236-253 (Social initiatives).				
EC9	Understanding and describing significant indirect economic impacts, including the extent of impacts	Full	Pg. 234-235 (ENDESA's social development actions).				
Availability and reliability							

G3.1 EUSS DMAs	Disclosure	Level of reporting	Location of disclosure	For partially reported disclosures, indicate the part not reported	Reason for omission	Explanation for the reason for omission	To be reported in
EU10	Planned capacity against projected electricity demand over the long term, broken down by energy source and regulatory regime	Full	Pg. 49-50/52-53 (Continuity of supply).				
System efficiency							
EU11	Average generation efficiency of thermal plants by energy source and regulatory regime	Full	Pg. 171-172 (Efficiency in thermal power plants).				
EU12	Transmission and distribution losses as a percentage of total energy	Full	Pg. 173-174 (Energy efficiency).				
Environmental							
Indicator	Disclosure	Level of reporting	Location of disclosure	For partially reported disclosures, indicate the part not reported	Reason for omission	Explanation for the reason for omission	To be reported in
Materials							
EN1 _{COMM}	Materials used by weight or volume	Full	Pg. 168-170 (Fuel consumption).				
EN2	Percentage of materials used that are recycled input materials	Full	Pg. 155-156 (Recovery of materials from ash and slag); Pg. 264 (Appendix V).				
Energy							
EN3	Direct energy consumption by primary energy source	Full	Pg. 170-171 (Electricity consumption).				
EN4	Indirect energy consumption by primary source	Full	Pg. 170-171 (Electricity consumption).				
EN5	Energy saved due to conservation and efficiency improvements	Full	Pg. 171-172 (Efficiency in thermal power plants); Pg. 180-181 (Efficiency in final energy use).				
EN6	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives	Full	Pg. 171-172 (Efficiency in thermal power plants); Pg. 206-207 (Active participation in developing renewable energies).				
EN7	Initiatives to reduce indirect energy consumption and reductions achieved	Full	Pg. 170-171 (Electricity consumption).				
Water							
EN8 _{COMM}	Total water withdrawal by source.	Full	Pg. 144 (Total water withdrawal by source).				
EN9	Water sources significantly affected by withdrawal of water	Full	Pg. 264 (Appendix V).				
EN10	Percentage and total volume of water recycled and reused	Full	Pg. 141 (Integrated water management).				
Biodiversity							
EN11	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Full	Pg. 163 (Adjacent land, or land located in natural protected areas).				
EN12 _{COMM}	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas	Full	Pg. 157-163 (Biodiversity conservation).				

G3.1 EUSS DMAs	Disclosure	Level of reporting	Location of disclosure	For partially reported disclosures, indicate the part not reported	Reason for omission	Explanation for the reason for omission	To be reported in
EU13	Biodiversity of offset habitats compared to the biodiversity of the affected areas	Full	Pg. 157-163 (Biodiversity conservation).				
EN13	Habitats protected or restored	Full	Pg. 157-163 (Biodiversity conservation).				
EN14 _{COMM}	Strategies, current actions, and future plans for managing impacts on biodiversity	Full	Pg. 157-163 (Biodiversity conservation).				
EN15	Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk						
Emissions, effluents and waste							
EN16 _{COMM}	Total direct and indirect greenhouse gas emissions by weight	Full	Pg. 222-223 (CO ₂ emissions).				
EN17	Other relevant indirect greenhouse gas emissions by weight	Full	ENDESA's indirect greenhouse gas emissions, i.e. excluding electricity generation, such as from exhaust fumes, are considered irrelevant in absolute terms.				
EN18 _{COMM}	Initiatives to reduce greenhouse gas emissions and reductions achieved	Full	Pg. 206-220 (Endesa's contribution to combating climate change).				
EN19	Emissions of ozone-depleting substances by weight	Full	Pg. 154 (Emissions of ozone-depleting substances).				
EN20 _{COMM}	NOx, SOx, and other significant air emissions by type and weight	Full	Pg. 153-154 (Emissions). Leaks and emissions of POP, HAP and VOC are insignificant compared to the greenhouse gases reported in the relevant section.				
EN21 _{COMM}	Total water discharge by quality and destination	Full	Pg. 144 (Water discharges).				
EN22 _{COMM}	Total weight of waste by type and disposal method	Partially	Pg. 154-132 (Waste management and reduction).	Total amount of waste (measured in tonnes) for composting, reuse, recycling, recovery, incineration, landfill and deep well injection.	Not applicable	There is no information available concerning the final destination as this waste is sent for recovery at external facilities by authorised waste management companies.	
EN23	Total number and volume of significant spills	Full	Pg. 152 (Management of environmental incidents).				
EN24	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally						

				For partially reported disclosures, indicate the part not reported	Reason for omission	Explanation for the reason for omission	To be reported in
G3.1 EUSS DMAs	Disclosure	Level of reporting	Location of disclosure				
EN25	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organisation's discharges of water and runoff	Full	Pg. 264 (Appendix V).				
Products and services							
EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation	Full	Pg. 69-72 (Efficient products and services); Pg. 144 (Fuel consumption); Pg. 112 (Process water consumption); Pg. 145-147 (Eliminating environmental liabilities); Pg. 144 (Water discharges).				
EN27	Percentage of products sold and their packaging materials that are reclaimed by category	Full	ENDESA does not produce significant quantities of packaged goods intended for sale.				
Compliance							
EN28	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations	Full	Pg. 152 (Management of environmental incidents).				
Transport							
EN29	Significant environmental impacts of transporting products and other goods and materials used for the organisation's operations, and transporting members of the workforce						
Overall							
EN30	Total environmental protection expenditures and investments by type	Full	Pg. 142 (Significant investments).				
Social: Labor Practices and Decent Work							
Indicator	Disclosure	Level of reporting	Location of disclosure	For partially reported disclosures, indicate the part not reported	Reason for omission	Explanation for the reason for omission	To be reported in
Employment							
LA1 _{COMM}	Total workforce by employment type, employment contract, and region, broken down by gender	Full	Pg. 80-82 (ENDESA's workforce).				
LA2 _{COMM}	Total number and rate of new employee hires and employee turnover by age group, gender, and region	Full	Pg. 102-106 (Attracting and retaining talent).				
EU17	Days worked by contractor and subcontractor employees involved in construction, operation and maintenance activities	Full	Pg. 190-192 (Commitment to our partners).				
EU18	Percentage of contractor and subcontractor employees that have undergone relevant health and safety training	Full	Pg. 195-196 (Contractor training).				
LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations	Full	Pg. 104-106 (Pension plans).				
LA15	Return to work and retention rates after parental leave, by gender	Fully	Pg. 92-93 (Striking a balance between professional, personal and family life).				

G3.1 EUSS DMAs	Disclosure	Level of reporting	Location of disclosure	For partially reported disclosures, indicate the part not reported	Reason for omission	Explanation for the reason for omission	To be reported in
Labor/management relations							
LA4 _{COMM}	Percentage of employees covered by collective bargaining agreements	Full	Pg. 107 (Social dialogue).				
LA5	Minimum notice period(s) regarding significant operational changes, including whether it is specified in collective agreements	Full	Pg. 264 (Appendix V).				
Occupational health and safety							
LA6	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programmes	Full	Pg. 85-86 (Health and Safety Committees); Pg. 264 (Appendix V).				
LA7 _{COMM}	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region and by gender	Full	Pg. 86-88 (Lower accident rate); Pg. 196 (The results of a joint effort).				
LA8	Education, training, counseling, prevention, and risk-control programmes in place to assist workforce members, their families, or community members regarding serious diseases	Full	Pg. 84 (Workplace accident prevention, training and inspections).				
LA9	Health and safety topics covered in formal agreements with trade unions	Full	Pg. 107 (Social dialogue).				
Training and education							
LA10	Average hours of training per year per employee by gender, and by employee category	Full	Pg. 98-101 (Training at ENDESA).				
LA11	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings	Full	Pg. 96-97 (Leadership model); Pg. 98-101 (Training at ENDESA).				
LA12	Percentage of employees receiving regular performance and career development reviews, by gender		Pg. 96-97 (Leadership model).				
Diversity and equal opportunity							
LA13	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity	Full	Pg. 80-82 (ENDESA's workforce). For further information: (http://www.endesa.com/es/conoceendesa/organosdegobierno/Paginas/OrganosdeGobierno.aspx). There are no declared minorities at Endesa.				
Equal remuneration for women and men							

LA14	Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation	Full	Pg. 104 (Remuneration policy); Pg. 90-95 (Employee satisfaction, one of our priorities).				
Social: Human rights							
Indicator	Disclosure	Level of reporting	Location of disclosure	For partially reported disclosures, indicate the part not reported	Reason for omission	Explanation for the reason for omission	To be reported in
Investment and procurement practices							
HR1	Percentage and total number of significant investment agreements and contracts that include clauses incorporating human rights concerns, or that have undergone human rights screening	Full	Pg. 191-192 (Global Compact and Code of Ethics).				
HR2	Percentage of significant suppliers, contractors and other business partners that have undergone human rights screening, and actions taken	Full	Pg. 191-192 (Global Compact and Code of Ethics).				
HR3	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained	Full	Pg. 84 (Workplace accident prevention, training and inspections); Pg. 98-101 (Training at ENDESA).				
Non-discrimination							
HR4	Total number of incidents of discrimination and corrective actions taken	Full	Pg. 115-116 (Ethics channel).				
Freedom of association and collective bargaining							
HR5 _{COMM}	Operations and significant suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and actions taken to support these rights	Full	Pg. 107 (Social dialogue).				
Child labour							
HR6	Operations and significant suppliers identified as having significant risk for incidents of child labour, and measures taken to contribute to the effective abolition of child labour	Full	Pg. 26-27 (Protection of human rights).				
Prevention of forced and compulsory labour							
HR7	Operations and significant suppliers identified as having significant risk for incidents of forced or compulsory labour, and measures to contribute to the elimination of all forms of forced or compulsory labour	Full	Pg. 26-27 (Protection of human rights).				
Security practices							
HR8	Percentage of security personnel trained in the organisation's policies or procedures concerning aspects of human rights that are relevant to operations	Full	Pg. 84 (Workplace accident prevention, training and inspections); Pg. 98-101 (Training at ENDESA).				
Indigenous rights							

				For partially reported disclosures, indicate the part not reported	Reason for omission	Explanation for the reason for omission	To be reported in
G3.1 EUSS DMAs	Disclosure	Level of reporting	Location of disclosure				
HR9	Total number of incidents of violations involving rights of indigenous people and actions taken	Full	Pg. 26-27 (Protection of human rights).				
Assessment							
HR10	Percentage and total number of operations that have been subject to human rights reviews and/or impact assessments	Full	Pg. 26-27 (Protection of human rights); Pg. 191-192 (Global Compact and Code of Ethics).				
Remediation							
HR11	Number of grievances related to human rights filed, addressed and resolved through formal grievance mechanisms	Full	Pg. 26-27 (Protection of human rights).				
Social: Society							
				For partially reported disclosures, indicate the part not reported	Reason for omission	Explanation for the reason for omission	To be reported in
Indicator	Disclosure	Level of reporting	Location of disclosure				
Local communities							
SO1 _{COMM} (EUSS)	Nature, scope, and effectiveness of any programmes and practices that assess and manage the impacts of operations on communities, including entering, operating, and exiting	Full	Pg. 151-152 (Integrated environmental authorisation and impact studies); Pg. 232-213 (Contribution to social development); Pg. 35-38 (Engagement with communities involved in the El Quimbo project); Pg. 38-39 (Neltume Hydroelectric Project); Pg. 39-40 (Alcalde Hydroelectric Project); Pg. 40 (Bocamina Project).				
SO1 (G3.1)	Percentage of operations with implemented local community engagement, impact assessments, and development programmes	Full	Pg. 232-213 (Contribution to social development); Pg. 151-152 (Integrated environmental authorisation and impact studies); Pg. 35-38 (Engagement with communities involved in the El Quimbo project); Pg. 38-39 (Neltume Hydroelectric Project); Pg. 39-40 (Alcalde Hydroelectric Project); Pg. 40 (Bocamina Project).				
EU22	Number of people physically or economically displaced and compensation, broken down by type of project	Full	Pg. 264 (Appendix V).				
SO9	Operations with significant potential or actual negative impacts on local communities	Full	Pg. 35-38 (Engagement with communities involved in the El Quimbo project); Pg. 38-39 (Neltume Hydroelectric Project); Pg. 39-40 (Alcalde Hydroelectric Project); Pg. 40 (Bocamina Project); Pg. 232-233 (Contribution to social development).				
SO10	Prevention and mitigation measures implemented in operations with significant potential or actual negative impacts on local communities	Full	Pg. 35-38 (Engagement with communities involved in the El Quimbo project); Pg. 38-39 (Neltume Hydorelectric Project); Pg. 39-40 (Alcalde Hydroelectric Project); Pg. 40 (Bocamina Project); Pg. 232-233 (Contribution to social development); Pg. 151-152 (Integrated environmental authorisation and impact studies).				

				For partially reported disclosures, indicate the part not reported	Reason for omission	Explanation for the reason for omission	To be reported in
G3.1 EUSS DMAs	Disclosure	Level of reporting	Location of disclosure				
Corruption							
SO2	Percentage and total number of business units analyzed for risks related to corruption	Full	Pg. 115-121 (Codes of Ethics and the fight against fraud and corruption).				
SO3	Percentage of employees trained in organisation's anti-corruption policies and procedures	Full	Pg. 115-121 (Codes of Ethics and the fight against fraud and corruption).				
SO4	Actions taken in response to incidents of corruption	Full	Pg. 115-121 (Codes of Ethics and the fight against fraud and corruption).				
Public policy							
SO5	Public policy positions and participation in public policy development and lobbying	Full	Pg. 221-223 (Institutional allies in combating climate change).				
SO6	Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country						
Anti-competitive behavior							
SO7	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes						
Compliance							
SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations	Full	Pg. 117-121 (Sanctions applied).				
Social: Product Responsibility							
				For partially reported disclosures, indicate the part not reported	Reason for omission	Explanation for the reason for omission	To be reported in
Indicator	Disclosure	Level of reporting	Location of disclosure				
Customer health and safety							
PR1 _{COMM}	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures	Full	Pg. 73-75 (Safety and ongoing improvement in all stages of the life cycle of ENDESA's products and services); Pg. 83-84 (Common occupational health and safety management).				
PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes						
EU25	Number of injuries and fatalities to the public involving company assets, including legal judgments, settlements and pending legal cases of diseases	Full	Pg. 117-121 (Sanctions applied); Pg. 196 (The results of a joint effort).				
Product and service labeling							
PR3	Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements	Full	Pg. 64-65 (Responsibility for informing customers).				

G3.1 EUSS DMAs	Disclosure	Level of reporting	Location of disclosure	For partially reported disclosures, indicate the part not reported	Reason for omission	Explanation for the reason for omission	To be reported in
PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes						
PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction	Full	Pg. 66-68 (Customer satisfaction).				
Marketing communications							
PR6	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship	Full	Pg. 64-65 (Responsibility for informing customers).				
PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship by type of outcomes						
Customer privacy							
PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data						
Compliance							
PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services	Full	Pg. 117-121 (Sanctions applied); Pg. 64-65 (Responsibility for informing customers).				
Access							
EU26	Percentage of population unserved in licensed distribution or service areas	Full	Pg. 49-50/52-53 (Continuity of supply).				
EU27	Number of residential disconnections for non-payment, broken down by duration of disconnection and by regulatory regime	Full	Pg. 48-54 (Quality of the electricity supply as a priority).				
EU28	Power outage frequency	Full	Pg. 49-50/52-53 (Continuity of supply).				
EU29	Average power outage duration	Full	Pg. 49-50/52-53 (Continuity of supply).				
EU30	Average plant availability factor by energy source and by regulatory regime	Full	Pg. 171-172 (Efficiency in thermal power plants).				

Appendix V. Other GRI indicators

EN2 Percentage of materials used that are recycled input materials

	Unit	ENDESA		
		Spain and Portugal	Latin America	Total ENDESA
Brine reused, rather than using sulphuric acid	Tonnes	0.0		0.0
Other materials	Tonnes	3.0		3.0
Lime reused in desulphurisation	Tonnes	0.0	6,100.9	6,100.9
Other materials	Tonnes	0.4		0.4
Sludge reused, rather than using iron chloride	Tonnes	0.0		0.0
Other materials	Tonnes	1.6		1.6
Other materials	Tonnes	1.1		1.1
Lubricating oil filtered and reused	Tonnes	37.5		37.5
Other materials	Tonnes	0.1		0.1
Total recycled	Tonnes	43.7	6,100.9	6,144.6

Types of non-hazardous waste and amount recovered

Non-hazardous waste

	Unit	ENDESA		
		2011	2012	2013
Sludge	Tonnes	48,501.5	84,769.2	31,957.1
Amount recovered at external facilities	Tonnes	3,012.2	3,620.7	3,528.0
Machinery and equipment	Tonnes	13,778.1	12,494.3	11,954.3
Amount recovered at external facilities	Tonnes	2,284.6	7,273.2	12,623.3
Packaging	Tonnes	2,851.5	268.8	2,449.1
Amount recovered at external facilities	Tonnes	2,834.8	242.7	2,397.9
Solid waste	Tonnes	398,684.0	135,015.5	184,912.6
Amount recovered at external facilities	Tonnes	166,713.7	43,790.5	79,181.5
Other liquids	Tonnes	65.0	0.0	0.0
Amount recovered at external facilities	Tonnes	62.4	0.0	0.0
Other waste	Tonnes	3,563,480.4	43,360.9	68,394.3
Amount recovered at external facilities	Tonnes	465.9	2,271.8	41,401.7
Total produced	Tonnes	4,027,360.5	275,908.7	299,667.4
Total recovered	Tonnes	175,373.6	57,198.9	139,132.4

Hazardous waste

	Unit	ENDESA		
		2011	2012	2013
Used oils	Tonnes	3,179.1	2,050.7	3,396
Amount recovered at external facilities	Tonnes	3,060.5	1,732.8	2,934.9
Machinery and equipment	Tonnes	4,211.3	2,449.7	2,929
Amount recovered at external facilities	Tonnes	4,301.0	2,680.2	2,805.8
Used batteries	Tonnes	217.0	149.1	290
Amount recovered at external facilities	Tonnes	203.7	61.1	155.9
Materials with asbestos	Tonnes	953.8	742.7	2,398.1
Amount recovered at external facilities	Tonnes	93.8	0.1	36.8
Sent for vitrification	Tonnes	0.2	0.0	8.4
Solid waste	Tonnes	3,315.0	19,085.4	1,371.4
Amount recovered at external facilities	Tonnes	2,772.9	18,788.5	238.6
Other liquids	Tonnes	3,251.8	1,668.2	1,552.6
Amount recovered at external facilities	Tonnes	2,253.4	54.6	347.9
Other waste	Tonnes	1,349.4	2,984.0	8,213.5
Amount recovered at external facilities	Tonnes	1,066.6	542.5	1,911.3
Total produced	Tonnes	16,477.5	29,129.6	20,150.6
Total recovered	Tonnes	13,752.2	23,860.0	8,439.6

EN9 Water sources significantly affected by withdrawal of water

Water sources significantly affected by withdrawal of water

		Spain and Portugal	Latin America	Argentina	Chile	Brazil	Peru	Colombia	Total
Water bodies affected significantly									
Withdrawals that account for 5 percent or more of the annual average volume of a given water body	2012	124	20	1	12	0	4	3	144
	2013	124	32	1	24	0	4	3	188
Withdrawals from sensitive water bodies	2012	9	4	1	2	0	0	1	13
	2013	9	4	2	1	0	0	1	17
Discharges to a Ramsar-listed wetland or protected area	2012	8	0	0	0	0	0	0	8
	2013	8	0	0	0	0	0	0	8
Withdrawals from a nationally proclaimed conservation area	2012	76	1	0	0	0	0	1	77
	2013	76	1	0	0	0	0	1	78
Withdrawals from an internationally proclaimed conservation area	2012	73	0	0	0	0	0	0	73
	2013	73	0	0	0	0	0	0	73
Total number of water sources significantly affected	2012	290	25	2	14	0	4	5	315
	2013	290	37	3	25	0	4	5	364

Characteristics of significantly affected water bodies

Size (m ³)	2012	395,324,000	30,100,000,000	21,000,000,000	6,199,722,000	645,000,000	2,000,000	2,200,000,000	30,445,855,000
	2013	395,324,000	21,464,956,000	20,600,000,000	343,956,000	519,000,000	2,000,000	0	43,325,236,000
Flow (m ³ /sec)	2012	2,525.70	7,905.80	3,560	1,435.20	2,400	51.24	459.36	10,431.60
	2013	2,525.70	4,125	880	2,700.50	4	60.9	479.32	10,775.14
Designated as a protected area	2012	76	1	0	1	0	0	0	77
	2013	76	1	0	1	0	0	0	78
Biodiversity value: 1 = Yes, 0 = No	2012	76	2	0	2	0	0	0	78
	2013	76	12	0	12	0	0	0	100

EN25 Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organisation's discharges of water and runoff

Water sources significantly affected by discharges

		Spain and Portugal	Latin America	Argentina	Chile	Brazil	Peru	Colombia	Total
Water bodies affected significantly									
Withdrawals that account for 5 percent or more of the annual average volume of a given water body	2012	4	25	0	9	1	4	11	29
	2013	4	25	0	9	1	4	11	54
Withdrawals from sensitive water bodies	2012	34	1	0	1	0	0	0	36
	2013	34	1	1	0	0	0	0	36
Discharges to a Ramsar-listed wetland or protected area	2012	3	0	0	0	0	0	0	3
	2013	3	0	0	0	0	0	0	3
Withdrawals from a nationally proclaimed conservation area	2012	61	1	0	0	0	0	1	63
	2013	61	1	0	0	0	0	1	63
Withdrawals from an internationally proclaimed conservation area	2012	56	0	0	0	0	0	0	56
	2013	56	0	0	0	0	0	0	56
Total number of water sources significantly affected	2012	158	27	0	10	1	4	12	212
	2013	158	28	1	10	1	4	12	214

Characteristics of significantly affected water bodies

Size (m³)	2012	341,000,000.0	948,743,139.4	400,000,000.0	0.0	519,000,000.0	0.0	29,743,139.0	2,238,486,278.4
	2013	341,000,000.0	689,000.0			689,000.0			342,378,000.0
Flow (m³/sec)	2012	1,043.8	29,524.4	22,720.0	3,519.3	2,400.0	118.6	766.5	60,092.5
	2013	1,043.8	27,991.0	23,500.0	3,591.3	0.0	154.6	744.8	57,025.5
Designated as a protected area	2012	60.0	0.0	0.0	0.0	0.0	0.0	0.0	60.0
	2013	60.0	0.0	0.0	0.0	0.0	0.0	0.0	60.0
Biodiversity value: 1 = Yes, 0 = No	2012		0.0	0.0	0.0	0.0	0.0	0.0	0.0
	2013	59.0	0.0	0.0	0.0	0.0	0.0	0.0	59.0

LA5 Minimum notice period(s) regarding operational changes, including whether it is specified in collective agreements

Minimum notice period(s) regarding operational changes

	2011*	2012*	2013*
Spain and Portugal	4	4	4
Argentina	N/A	2 months	1 month
Chile	1	1	1
Brazil	n/a	n/a	n/a
Peru	N/A	n/a	n/a
Colombia	N/A	n/a	n/a

* weeks
n/a: Not available
N/A: Not applicable

LA6 Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programmes

Percentage of workers represented in health and safety committees

		Spain and Portugal	Argentina	Chile	Brazil	Peru	Colombia	Total
Total workforce	2011	11,702	3,437	2,397	2,764	863	1,599	22,762
	2012	11,685	3,480	2,446	2,735	910	1,632	22,976
	2013	11,086	3,963	2,507	2,672	938	1,746	22,912
Workforce represented in formal joint management-worker health and safety committees	2011	11,702	3,437	2,397	2,764	863	1,599	22,762
	2012	11,685	2,663	2,446	2,735	910	1,632	22,071
	2013	11,086	3,922	2,439	2,672	932	1,746	22,797
% of total workforce represented in formal joint management-worker health and safety committees	2011	100	>75	>75	100	100	100	>75
	2012	100	>75	>75	100	100	100	>75
	2013	100	99	97	100	100	100	100

EU22 Number of people physically or economically displaced and compensation, broken down by type of project

People physically or economically displaced								
		Spain and Portugal	Argentina	Chile	Brazil	Peru	Colombia	Total
Total number of people physically and economically displaced (1)	2011	0	0	357	0		21	378
	2012	0	0	425	0	0	1,812	2,237
	2013	0	0	83	0	0	1,039	1,122
Total number of people displaced due to plant expansion	2011	0	0	0	0	0	0	0
	2012	0	0	0	0	0	0	0
	2013	0	0	0	0	0	0	0
Total number of people displaced due to construction of new plants	2011	0	0	357	0		0	357
	2012	0	0	425	0	0	0	425
	2013	0	0	83	0	0	0	83
Total number of people displaced due to construction of new transmission lines	2011	0	0	0	0		0	0
	2012	0	0	0	0	0	0	0
	2013	0	0	0	0	0	0	0
Total number of people displaced due to other type of project	2011	0	0	0	0		0	0
	2012	0	0	0	0	0	0	0
	2013	0	0	0	0	0	0	0
Total number of people compensated including those that may be affected positively (2)	2011	0	0	357	36	0	0	393
	2012	0	0	425	0	0	1,270	1,695
	2013	0	0	83	51	0	1,039	1,173

(1) Physical displacement can be defined as relocation or loss of shelter. Economic displacement means loss of assets or access to assets, which results in loss of means of livelihood.

(2) Includes: access to electricity, new job prospects.

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