Creating Shared Value into practice: the Enel case

Maria Cristina Papetti
Head of Sustainability Projects and Practice Sharing- Enel Spa

Rome, 27th of May 2015
With the strong commitment of the CEO Enel Green Power takes the challenge of identifying solutions, tools, projects and concrete actions with the potential to incorporate the concept of “creating shared value” in ordinary processes along the value chain, in order to realize tangible synergies between social and environmental sustainability and business objectives.
THE MAIN IMPACTS

Exposure to ethical risks

Dusts

Noise

Traffic

Pollution

Impacts on biodiversity

Visual Impacts

Land Use

Noise

Air Emissions
What model of Sustainability?
Creating Shared Value

A GAME WIN–WIN BETWEEN BUSINESS AND SOCIETY

Creating Social Value

INVESTMENTS THAT ADDRESS SOCIAL AND ENVIRONMENTAL OBJECTIVES

Creating Business Value

CORPORATION INVESTMENTS IN LONG-TERM COMPETITIVENESS

Creating Shared Value

INVESTMENTS IN LONG-TERM BUSINESS COMPETITIVENESS THAT SIMULTANEOUSLY ADDRESS SOCIAL AND ENVIRONMENTAL OBJECTIVES
“Policies and operating practices that enhance the competitiveness of a company while simultaneously advancing economic and social conditions in the communities in which it operates.

Shared value creation focuses on identifying and expanding the connections between societal and economic progress.”

M. PORTER & MARK R. KRAMER (2011)
CHANGE PERSPECTIVE

HOLISTIC VIEW OF THE VALUE CHAIN

OPPORTUNITY IMPACTS

Giving value to the good practices

New model of Sustainability
CSV APPROACH

GOVERNANCE APPROACH

BUSINESS DEVELOPMENT

ANALYSIS OF SOCIAL AND ENVIRONMENTAL CONTEXT

CSV PLAN

OPENING DIALOGUE AND SHARING

ENGINEERING & CONSTRUCTION

DESIGN WITH CSV PERSPECTIVE

HIGH ENVIRONMENTAL STANDARDS

HIGH ENVIRONMENTAL STANDARDS

INFORMATION TO THE STAKEHOLDERS

OPERATION & MAINTENANCE

HIGH ENVIRONMENTAL STANDARDS

DEVELOPMENT OF JOB OPPORTUNITIES IN THE AREA

INVolVEMENT AND "EDUCATION" TO RENEWABLES
CSV TOOLS

Information exchange

Analysis

Execution

Planning
What does «CSV» mean for project development?

**Challenges & opportunities at project level**
- Risks posed by environmental & social issues
- Opportunities for increasing investment's value or reducing costs

**Social Needs & Stakeholder expectations**
- Needs expressed by project's stakeholders
- Needs understood by analyzing the context

**Enel businesses and expertise**
- Core competences that can serve solutions for integrated responses

**Shared Value** means **synergic actions** that:
- generate a **measurable benefit for the project**
- **address social needs** and/or
- **advance economic conditions** in the communities

**BY**
- efficiently and effectively leveraging on cross-functional / cross-divisional competences and assets in a **integrated perspective**

**BEING PROACTIVE RATHER THAN REACTIVE**
CSV tools and process

MARKET ANALYSIS

SCREENING COMMITTEE

PRE-FEASIBILITY PHASE

BUSINESS DEVELOPMENT

FEASIBILITY PHASE

INNOVATION WORKING SESSION

PROJECT IMPLEMENTATION PHASE

Investment Committee

CSV tools and process

Total Risk

Minimum €0.00
Maximum €1,757,677.47
Mean €283,548.48
Std Dev €358,448.20
Values 10000

Total R...
Adopting a “Creating shared value” plan not only represents a mandatory duty but is also a key priority given the complexity of EGP’s commitments and the characteristics of the South African market.

<table>
<thead>
<tr>
<th>Area of commitment</th>
<th>Explanation</th>
<th>Weight</th>
<th>Unit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Job creation</td>
<td>Jobs created for SA citizens(^2)</td>
<td>25%</td>
<td>detailed % breakdown of jobs created per category</td>
</tr>
<tr>
<td>Local content</td>
<td>Industrial opportunities for local enterprises (local expenses)</td>
<td>25%</td>
<td>% over the total project’s expenses (E&amp;C and O&amp;M)</td>
</tr>
<tr>
<td>Ownership</td>
<td>SA participation (black) in shareholding (also E&amp;C and O&amp;M)</td>
<td>15%</td>
<td>% of shares in Project companies (E&amp;C and O&amp;M contractors included)</td>
</tr>
<tr>
<td>Management control</td>
<td>Skilled SA citizens (black) in top management</td>
<td>5%</td>
<td>% of SA and black personnel involved</td>
</tr>
<tr>
<td>Preferential procurement</td>
<td>Procurement content in terms of race, gender and status of the producer</td>
<td>10%</td>
<td>% procured goods by B-BEE status, QSE, EME, women</td>
</tr>
<tr>
<td>Enterprise development(^3)</td>
<td>Actions aimed at developing local businesses</td>
<td>5%</td>
<td>% of devoted revenue</td>
</tr>
<tr>
<td>Socio-economic development(^3)</td>
<td>Action aimed at tackling socio-economic issues</td>
<td>15%</td>
<td>% of devoted revenue</td>
</tr>
</tbody>
</table>

1 On the sustainability-related score (=30% of total)
2 Specified for the following categories: SA citizens, black SA citizens, skilled black SA citizens, Local community citizens, jobs for RSA citizens/MW generated, youth, women and disabled quotas
3 Actions must involve Projects’ communities (all towns, villages and conglomerations at a max. 50 km distance from sites)
CSV IN PRACTICE: SOUTH AFRICA

Main Issue

Challenge
1. Unemployment & low professional skills
2. Impoverished community
3. Limited infrastructure due to low population density
4. Limited non-resource related opportunities

Key notes
- Economical
- Social
- Environmental
- Job creation & skill building
- Infrastructure investment
- Social & community benefits
- Environmental preservation
- Fiscal contribution

Challenge
1. Unemployed, low skilled community
2. Basic infrastructure is still a challenge

Challenge
1. Unemployment & low professional skills
2. Limited access to health care facilities

Challenge
1. Social challenges relating to health (e.g., HIV, malnutrition)
2. Unemployment & low professional skills

SOURCE: Statistics South Africa
CSV IN PRACTICE: SOUTH AFRICA

Materiality Matrix

The most important material issues on which EGP should focus on are: Job Creation and Social & Community benefits.

- **Investment Infrastructure** could be relevant in some areas that are scarcely populated or poor (e.g., Northern Cape).
- **Fiscal contribution** has low importance considering that the government prefers foreign companies to have direct impact through economic development initiatives vs. tax collection.
- **Environmental preservation** is considered medium-low priority for stakeholders as South Africa focuses on compliance given solid environmental rules already in place.
- **Social issues** such as health and education are important leverages for CSV actions even if strictly related to the area of the project. In particular, HIV problems are critical to almost all the provinces.

**Job creation** represents the most critical issue in the South African context. South Africa plans to create 5 Mn jobs by 2020 (on a base of 15 Mn jobs currently).
## CSV IN PRACTICE: SOUTH AFRICA

### CSV Plan 1/3

<table>
<thead>
<tr>
<th>Project</th>
<th>Description</th>
<th>Company Benefits</th>
<th>Community Benefits</th>
<th>Cost</th>
<th>Timing</th>
</tr>
</thead>
</table>
| Mothers to Mothers | § Helping to prevent mother-to-child transmission of HIV, keeping mothers healthy and empowering women  
§ M2M hires HIV+ mothers to educate and support new HIV+ mothers to learn how to live with HIV | § Increased acceptance among local community | § Reduction of HIV disease (est. 35% of HIV transmission mothers to babies)  
§ Improve health conditions  
§ 34,184 women enrolled | 200,000 Euro | 24 Months |
| Ubuntu Educational | § Investment fund that focuses on helping South African children’s access to academic opportunities from the “cradle to career” by improving their quality life (household, health, education) | § Increased acceptance among local community | § Increase children's education level and improve health conditions of their families  
§ 3000 direct and 7000 indirect beneficiaries | 120,000 Euro in 3 specific sites  
SROI: 1:8,7 | 18 Months |
| Silulo | § Bringing Internet to people, by facilitating the roll-out of free WiFi to public spaces in low income communities  
§ Providing information technology solutions to previously disadvantaged communities by bridging the digital divide between wealthy areas of Cape Town and the townships | § Increased acceptance among local community | § Foster entrepreneurship  
§ Improve education level of local community | 312,000 Euro | 3 Years |
**CSV IN PRACTICE: SOUTH AFRICA**

CSV Plan 2/3

<table>
<thead>
<tr>
<th>DESCRIPTION</th>
<th>COMPANY BENEFITS</th>
<th>COMMUNITY BENEFITS</th>
<th>COST</th>
<th>TIMING</th>
</tr>
</thead>
<tbody>
<tr>
<td>Crèche Support Programme + Business Equipment Grants Programme</td>
<td>§ The purpose of the Crèche program will be to enhance and upskill the teachers with the latest early childhood development tools to ensure better quality of teaching being delivered to children in the developmental stages of their lives. § Make business equipment grants to existing Black Owned businesses.</td>
<td>§ Increased acceptance among local communities</td>
<td>§ Increase children’s education level Better trained crèche teachers in the target community. § Enable the small Black Owned people to produce more goods and ensure their sustainability businesses</td>
<td>70,000 Euro TBD</td>
</tr>
<tr>
<td>Sun 4 Water</td>
<td>§ Supply EGP workers plants with SUN4WATER devices PV powered (wheeled box with a water sanitation system providing portable lights / battery charging. § After E&amp;C, devices will be left to the local community</td>
<td>§ Improvement of the conditions of workers during the construction phase</td>
<td>§ Increased access to clean water § Increased access to electricity</td>
<td>20,000 10 devices</td>
</tr>
</tbody>
</table>
### CSV IN PRACTICE: SOUTH AFRICA

#### CSV Plan 3/3

<table>
<thead>
<tr>
<th>DESCRIPTION</th>
<th>COMPANY BENEFITS</th>
<th>COMMUNITY BENEFITS</th>
<th>COST</th>
<th>TIMING</th>
</tr>
</thead>
</table>
| **Containers**
- Provide PV-powered containers for on-site buildings
- After E&C, buildings will be left to the local community for residential, recreational, professional, educational, health care purposes |
- Improvement of the conditions of workers during the Construction phase |
- Sustainable stand-alone buildings for residential, recreational, professional, educational, health care purposes |
- 100,000 Euro 3 containers |
- TBD |
| **PV Training Program**
- Training program to prepare local electricians, plumbers, potential sellers and electrical semi-skilled develop basic technical and business skills (managerial & commercial) focused on small scale PV installations |
- First step toward the entering of the retail market in South Africa |
- 1000/year people trained |
- 425,000 Euro for first year (48€/day per participant) |
- 5 years |
- Two pilot courses have already been carried out, in Johannesburg and Cape Town; attended by 180 participants, 78% black. |
- Duration of each course: 4/5 days |
- Create permanent jobs, solar photovoltaic installers trained, new companies developed, new workplace opportunities added. |
- Contribute to building the Black Empowerment |
- SME’s development |
THE RESULTS IN EGP: UPDATED TO APRIL 2015

516 CSV TOOLS APPLIED (BD 421: +27%; E&C: 14:+9%; O&M 71: +71%)

60 SUSTAINABILITY PROJECTS

PROJECTS FOR N° OF TOOLS APPLIED
CSV IN PRACTICE: CHILE
OLLAGUE

Innovation and sustainability: the Ollagüe project

Ollagüe is a small isolated village on the border between Chile and Bolivia, located at over 3,500 meters on the desert plateau, 160 km from Calama. Between 50 and 100 families live here permanently from the Quechua indigenous community and dedicate themselves to sheep farming and services for the mining sector. From the geo-climatic viewpoint, the temperature differences in this area are extreme, from -20° C to +20° C, and can vary by 20° C on the same day.

With the aim of supporting as far as possible the electrification of isolated areas, Enel has built an off-grid hybrid plant in Ollagüe, which is innovative in technology terms and is environmentally sustainable. This plant enables access to clean energy 24 hours a day and consists of a photovoltaic solar element (of 250 kW) and a wind element (30 kW) with batteries, a back-up diesel generator and an electricity/water cogeneration plant. In consideration of the particular geo-climatic conditions various innovative technological choices have been made which range from the use of wind turbines with vertical blades to molten salt batteries, solutions which guarantee the operation in areas with a high level of irradiation and rarefied air such as on the plateau. Overall the plan consists mainly of ‘passive’ systems, in other words with few electronic components, and so requires lower specialist maintenance and can be managed directly by the community on the basis of the training programs they have received.

The involvement of the local community as an integral part of the project, from the analysis and engineering stages and up to the operation of the plant, and the involvement of different stakeholders with an integrated approach is another innovative and successful aspect in Ollagüe. A successful public/private partnership has been created, which has integrated local municipalities and communities with the academic world (Universities of Antofagasta and of Chile) and with the El Abra mine, another financing partner. Also the management model for the plant is sustainable, because it is the community itself which through a self-managed committee handles the payment of the tariff and the basic maintenance. Supervision of the functioning of the plant, administrative aspects as well as those connected to the use of the fuel and the distribution grid are, on the other hand, assigned to the Municipality. Finally, technical supervision and the efficiency of the plant are guaranteed by a Supervisory Committee which involves Enel Green Power together with the Universities and El Abra.

The management model which makes the community responsible for the plant and the integration of stakeholders in promoting energy efficiency make Ollagüe an example of a smart village.
“Sustainability embodies our attention for environment, social development and economic sustainability: three key drivers for the growth of a global energy player. At Enel we believe in innovation as the way to address the needs of our customers, offering new energy products and services that foster social and environmental development of communities and generate long term shared value”

Francesco Starace
A good reputation based on an accountable disclosure of leadership in sustainability ENEL

Enel has been nominated as one of the three “Gold Class” at a global level, in the Electric Utilities Field and among the only four “Gold Class” companies in Italy.

Enel hosted the first convention on the implementation of the new European Directive non Non-Financial Information and Diversity.

- Define high level environmental policies and map environmental compliance
- Development of the biodiversity plan
- Resume the carbon footprint /CO2 neutral activity
Enel as a **progressive company** takes into account all the Stakeholders: CSV perspective

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**GREENPEACE**

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**SERNIO MANAGEMENT OF ENEL AND GREENPEACE MEET**

Rome, 14th March 2015 - A meeting took place today in Rome between representatives of Enel, led by the CEO Francesco Starace and Greenpeace, whose delegation was headed by Greenpeace's International Executive Director Ken Cinnad Effect and by Greenpeace Italia Board Chair, Ambra Puglisi.

Following the appointment of the new company management, Enel's industrial strategy is focused on further expanding investments in renewable sources, energy efficiency, smart grid and storage systems. The Group is also committed to gradually phasing out further investment in coal.

Although there are still differences in terms of assessing the Group's strategies in terms of cost and certain methodologies to be pursued must be adhered to, the trend is towards further efforts to be made in the next years.

Enel plans to move with Greenpeace in this direction, or at any rate in which the future management has already embarked and, by accepting Greenpeace's intentions, it is maintaining itself as a progressive company in the international energy industry. Enel's new strategic commitments are in line with the expressed aims of Greenpeace in its campaign specifically targeted at Enel, one of the seven largest electricity companies in the world.

Enel shares the same concerns about the global climate expressed by most of the international scientific community as well as the goal to bring the worldwide temperature rise below 2°C. For this reason, and in the light of the Climate Change Conference in Paris, Enel is ready to tackle this challenge and lead the industry in order to reach such a target. Starace underlined: "The Group is far from being at the bottom of the Charte des 500 that Greenpeace published, but the path to be taken in the next years is clear: more and more intervention in renewable development and in promoting energy efficiency.

The Enel Group has already reduced CO2 emissions by more than 50% since 1990, while 2012 was the first year in which it has reached the 10% target".

The management decisions taken today will be clearly aligned with the Group's objectives and the way in which sustainability and improved environmental management can be achieved.

This is a significant step forward in the strategic approach of the Group in the direction of a more sustainable and transparent company.

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**ENEL CEO APPOINTED TO THE BOARD OF THE UNITED NATIONS GLOBAL COMPACT**

Rome, May 13th, 2015 - The United Nations has announced that its Secretary-General Ban Ki-moon has appointed Francesco Starace, Chief Executive of the Enel Group, as one of the representatives of its Global Compact, an initiative of the United Nations.

"Mr. Starace's commitment to sustainable development is in keeping with the United Nations’ Global Compact objectives and I am confident that his appointment will help to advance the Compact’s goals in the energy sector," said Honduras.

Mr. Starace's appointment is effective from June 1, 2015 and will last for three years.

The Enel Group’s vision is that sustainability is an intrinsic component of any business activity that it might pursue in the future. The company has made sustainability an integral part of its corporate strategy and a strategic element in its sustainable development in order to ensure a long-term, responsible growth. The company’s target is to achieve a 20% reduction in CO2 emissions by 2020.

Enel offers products and services that respond to the needs of customers and societies, sharing value and supporting the development of the communities in which the Group operates. Enel's strategic plan features non-negotiables for the development of renewable energy, the digitalization and modernization of the grid.

In addition, Enel supports the United Nations’ Sustainable Energy for All initiative through its Enabling Electricity Programme, which is a public-private partnership aimed at providing clean and reliable energy services to people who currently lack access to electricity, through the development of innovative business models, such as the One Village in China and Curentes in Peru.
2015: The new pillars of Sustainability in Enel

focused on business (no more advertising or sponsorship – NO Communication)

Protecting and adding value to the existing business and empowering the new ones

reliable disclosure and storytelling to Investors and other Stakeholders

Creating Shared Value measuring the real impact
new “access to electricity” and “social and economic development of local communities” to support and protect existing and new business

2015: focused on "Sustainability" projects

criteria to measure beneficiaries and impacts

new targets and new criteria for Enabling Electricity 2015 – 2019

map of projects linked to operations

best practices to get external funding
Past and current experiences prove that for the success of project’s development it is essential to:

- **analyse and understand the context** from the social, historical, cultural and environmental perspectives
- **track relationships with key stakeholders**, map their opinions, attitudes towards the project and influence on the project, as well as their relations between each other
- **identify actions relevant for stakeholders** and bringing value to the project, including their costs in the project’s **Capex/Opex** estimations
- **keep track, update and hand over to the other Functions the wealth of information** on the project, in order to have an integrated view of the project’s story at any time

Top-level commitment and positive experiences internal to Enel Group (e.g. Enel Green Power) prove that a “CSV approach” represents the key
Building on lessons learned
Past experiences: El Quimbo (Colombia)

PROJECT FACTS & FIGURES

- **400 MW** hydroelectric power project
- **Capex** (re-approved in December 2014): **1.231 million USD-homog**; % increase from 1° approval: + 47% of which:
  - +35% in civil works, electromechanical equipments and reservoir* (from 507 to 684 million USD-homog)
  - +157% in environmental and social expenses* (from 143 to 367 million USD-homog)
- ** Strikes and blockades** totaling about **150 days during the last 4 years**
- The project was badly impacted also by **2 strikes** at national level and by a **landslide** in 2014

KEY ISSUES

ANTICIPATING RISKS OF CONFLICT WITH LOCAL COMMUNITIES

- **How the social unrest** (that so strongly blocked the project implementation) could have been foreseen in the BD phase?
- **How a comprehensive analysis of the stakeholders and social issues** at stake could have helped in mitigating such risks?
- **How could stronger communication and engagement** of the local community since the BD phase could have benefited the project?

SOCIAL AND ENVIRONMENTAL INITIATIVES

- **Did the social and environmental initiatives planned** at the project’s very beginning respond to local needs and expectations?

Source: “Project Risk Management (PRM) Resultados principales” (December 2014); “Enel Investment Committee (1/2014) Project El Quimbo – Colombia, Re-Approval Document” (December 2014)

(*) % change in Capex calculated basing on the data contained in the Re-approval document (page 9) as the percentage increase between the project’s first approval and the “to be re-authorised” figure
Need for a wider perspectives on factors impacting projects’ success

► Analyse and understand the context from the social, historical, cultural and environmental perspectives

► Track relationships with key stakeholders, map their opinions, attitudes towards the project and influence on the project, as well as their relations between each other

► Identify actions relevant for stakeholders and bringing value to the project, including their costs in the project’s Capex/Opex estimations

► Keep track, update and convey to the other Functions the wealth of information on the project, in order to have an integrated view of the project’s story at any time
How to put CSV into practice?

Adopting a proactive approach in decision-making and operational practices implies:

- Define competences and responsibilities to be involved in each step of the process (from BD and other Functions), in order to make the integration of CSV smooth and ensure that each role involved brings the most effective contribution to the overall process.

DEFINING TOOLS ADDRESSING BD NEEDS

Define tools to be integrated in the processes in order to:

- **Analyze** the context
- **Map** stakeholders and track the evolutions of their expectations / attitudes towards the project
- **Prioritize** areas for intervention
- **Design, plan** and implement effective and efficient actions that can actually create (shared) value
- **Evaluate** *ex ante* and **measure** *ex post* real impacts
- **Hand over** the full “story” of the project along the business lines

INTEGRATING PROCESSES

- Design an integrated process where CSV tools bring inputs and outputs to each other and to existing BD tools already applied
- Specify how other Functions’ contribute to the CSV implementation

COMPETENCES & RESPONSIBILITIES

- Define competences and responsibilities to be involved in each step of the process (from BD and other Functions), in order to make the integration of CSV smooth and ensure that each role involved brings the most effective contribution to the overall process.
How to integrate Shared Value within Global Generation Business Development

BUILDING ON OUR EXPERIENCE …

… AND ENGAGING AND EMPOWERING PEOPLE …

Working Group composed of Developers and Sustainability Managers from Latam countries (with the involvement of the Global GX BD Team or other functions depending on the skills required) where to:

- listen, share and to summarize experiences, needs and tools already in use
- review tools through the CSV model lens, applying them on the projects now in pipeline, and drawing from experience new ideas to adapt them to the needs of Business Development “on-field”

TOOLS IN USE IN BD GX LATAM

CSV TOOLS IN USE IN ENEL GREEN POWER

GX BD SPECIFIC NEEDS NOT COVERED BY EXISTING TOOLS

... TO ACHIEVE CONCRETE RESULTS

CSV MODEL GX BD

CSV tools functional to BD Global Generation needs, integrated into business processes, easy to use, replicable

BD process integrated with CSV tools to be activated in the different phases in order to maximise the creating shared value potential

CSV CULTURE

Dissemination of a common approach and widespread awareness leading to the creation of a common culture
CSV IN PRACTICE: BRASIL - APIACAS

DIRECT IMPACTED AREA:
- Alta Floresta (population \(50,000 + 10,000\))

INDIRECT IMPACTED AREA:
- Paranaíta: population 10,684
- Juará: population 32,791

MAIN IMPACTS:
- Deforested area: 40 ha
- Workforce: 1700

3 Hydro Power Plants
102 Megawatts
CSV IN PRACTICE: BRASIL
APIACAS – CSV pilot Framework

STAKEHOLDER ENGAGEMENT & MAPPING

- Fast Track Project Identification and Selection
- Project Definition
- Social, Institutional, Economic & Environmental Analysis
- Shared Strategic Planning and Project Portfolio Identification
- Priority Identification

Closing the gap and building a trustful relation with key stakeholders

Long Track Projects Co-Development
CSV IN PRACTICE: BRASIL – RIO DE JANEIRO
Ecoelce and Ecoampla: sustainable innovation

The projects offer discounts on electricity bills to its clients of the distribution areas who bring their waste to specific collection points. All the waste is weighed and valued at market prices. This value is immediately recorded on the customer's electronic card. You can donate your discounts.
The Brasilian example: sustainability into business and with business

Bill discounts - Social Tariff

Tarifa Social Baixa Renda

The Tarifa Social Baixa Renda is a discount given to low rent families in the energy bill, founded by the Federal Government.

<table>
<thead>
<tr>
<th>Consumption</th>
<th>0 a 30 kWh</th>
<th>30 a 100 kWh</th>
<th>100 a 220 kWh</th>
</tr>
</thead>
<tbody>
<tr>
<td>65% discount</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>40% discount</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>10% discount</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

10% of Ampla Clients are Low Rent Costumers
278,748

34% of Coelce Clients are Low Rent Costumers
1,218,379

Education for the Conscious Consumption / Energy Efficiency

Sport, Leisure and Local Development

Income Generation and Local Development

200 youngsters and their families

Consciência Ampla Sobre Rodas

Nave Coelce

Consciência Ampla Saber

Coelce nos Bairros

Consciência Ampla Eficiente

Trocá Eficiente Coelce

Luz Solidária

Consciência Ampla Futuro

Coelce nas Escolas

Consciência Ampla Cidadania

Energia Social Cidadania

Consciência Ampla Com Arte

Energia Social Grupos Produtivos

Consciência Ampla Oportunidade

Energia Social Oportunidade

Bancos Comunitários

Consciência Ampla No Esporte

Consciência Ampla Superação

Superação Coelce
LET’S GO TO BRASIL

24% de Furto
Twenty four percent of energy theft.
CSV IN PRACTICE: measuring the impacts

PERU SAN JUAN DE MARCONA

✓ Fishing is the main economic resource of the area

✓ Deep interest in aquaculture and artisanal fishing development in the area by local authorities

✓ No added value for local fishermen and business transactions dominated by large traders

✓ Dangerous current practices of diving and lack of culture of safety

✓ High level of social conflict between fishing associations in the area

✓ The coverage of electricity of San Juan de Marcona is mostly determined by the Chinese Shougang mine, that does not guarantee a constant supply
CSV IN PRACTICE: PERU
SAN JUAN DE MARCONA
Stakeholder Analysis

**Step 1.** Mapping stakeholders in the target area

**Step 2.** Selection of the more representatives stakeholders to be involved in the Materiality Analysis

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**Example of Public local authorities map**

<table>
<thead>
<tr>
<th>Ámbito</th>
<th>Actor</th>
<th>Competencia del Actor</th>
<th>Actividades del Actor en el distrito</th>
<th>Línea de Trabajo</th>
<th>Representante</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Instituciones Educativas</td>
<td>Educación básica regular</td>
<td>Educación</td>
<td>Educación</td>
<td>Directores IE</td>
</tr>
<tr>
<td></td>
<td>Instituciones de Salud</td>
<td>Brindar servicios de salud a la población distrital</td>
<td>Atención en salud para la población</td>
<td>Seguridad y defensa</td>
<td>Directores de IE</td>
</tr>
<tr>
<td></td>
<td>Comisara PNP</td>
<td>Institución del estado encargada de garantizar la seguridad en el distrito</td>
<td>Trabajar conjuntamente con la Municipalidad en el resguardo de la seguridad del distrito</td>
<td>Seguridad y defensa</td>
<td>Comandante PNP Juan Grados lanza</td>
</tr>
<tr>
<td></td>
<td>Capitanía de Puerto</td>
<td>Control del Mar</td>
<td>Garantizar la seguridad en la vida humana, la retención del medio ambiente y los recursos naturales</td>
<td>Seguridad y defensa</td>
<td>Teniente Primer C.G. Saul Samaniego Armas</td>
</tr>
</tbody>
</table>

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**COPMAR**
Comunidad Justo Pastor

**PRODUCE**
Municipality of Nazca and Marcona

**IMARPE**
Shogun – Cobra - Marcobre
ICA Department
Healths centers
CSV IN PRACTICE: PERU
SAN JUAN DE MARCONA
Materiality Matrix

Here is the shared value
CSV IN PRACTICE: PERU
SAN JUAN DE MARCONA
Current Value Chain

Current local value chain

Main activities

- Passive Algae collection
- Fishing by diving

Steps

- Drying
- Selling to a unique distributor
- Selling to direct market or processing industry

Problems

Social
- Unsafe diving accident rate
- Mortal and permanent invalidity rate

Economical
- Low negotiation power
- Minimum client portfolio
- No added value
- No professional upgrading
- Price instability
- Revenue stream unsustainable
CSV IN PRACTICE: PERU
SAN JUAN DE MARCONA
Local value chain changes introduced by the project

Expected results

Social
- Zero accident for safe diving
- Zero permanent invalidity
- Zero mortality rate
- Drinking water availability
- New employment opportunities

Economical
- Incomes increasing
- New skills and knowledge
- Sustainable revenue stream

Environmental
- Ecosystem conservation
- Repopulation of natural resources
- Increasing O2 production
CSV IN PRACTICE: PERU
SAN JUAN DE MARCONA
Social Return Of Investment (SROI)
Measuring social, economic, environmental

<table>
<thead>
<tr>
<th>Inputs</th>
<th>Activities</th>
<th>Outputs</th>
<th>Outcomes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investment will consist of 1.4 MUSD of which 50 for the cutting machine, 250k for the Hatchery and 1.1 for the hybrid power supply system</td>
<td>Activities will consist of the following improvement in the value chain: 1) cutting machine; 2) hatchery and its hybrid power supply</td>
<td>Outputs will consist of improvement of current production (200-270 tons of algae by processing with cutting machine) and of additional production and incomes coming from the hatchery</td>
<td>Expected increase of incomes from current production = 1.9MUSD/yr equivalent to +80% avg of current incomes. Additional incomes from hatchery=470kUSD/yr. Total outcomes=2.3MUSD/yr</td>
</tr>
</tbody>
</table>

Impact will be equivalent to actual expected new incomes =2.3MUSD minus original production income = 1MUSD/yr avg. Impact results in +1.3 MUSD/yr.

SROI ratio, expressed in monetary figures, shows the value of the social and environmental impact that has been created in financial terms. This makes it possible to measure social benefit against the cost of investment.
CSV IN PRACTICE: PERU
SAN JUAN DE MARCONA
Social Return Of Investment (SROI)

Assumption

<table>
<thead>
<tr>
<th>CASES ACTUAL PRODUCTION</th>
<th>CURRENT PRODUCTION</th>
<th>CURRENT INCOME</th>
<th>INCOME FROM CUTTING</th>
<th>ADDED VALUE</th>
<th>INCOME HATCHERY</th>
<th>TOTAL INCOME</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>ton/yr</td>
<td>(kUSD/yr)</td>
<td>(kUSD/yr)</td>
<td>%</td>
<td>(kUSD/yr)</td>
<td>(kUSD/yr)</td>
</tr>
<tr>
<td>200 T/month</td>
<td>2,400.00</td>
<td>857.00</td>
<td>1,559.00</td>
<td>81.00</td>
<td>470</td>
<td>2,029.00</td>
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<tr>
<td>271 T/month</td>
<td>3,252.00</td>
<td>1,140.00</td>
<td>2,152.00</td>
<td>85.00</td>
<td>470</td>
<td>2,622.00</td>
</tr>
<tr>
<td><strong>Average</strong></td>
<td></td>
<td><strong>998.50</strong></td>
<td><strong>1,855.50</strong></td>
<td></td>
<td></td>
<td><strong>2,325.50</strong></td>
</tr>
</tbody>
</table>

SROI = \[
\frac{\text{Net Present Value of impacts}}{\text{Net Present Value of investment}}
\]

NPV Impact 9,602.6
NPV Input 1,651.8
SROI 5.8

Each 1 USD invested generates 5.8 USD for the community
Enabling Electricity 2015 - 2019
Set new targets and new criteria

Enel supports the UN SE4ALL initiative with its program ENabling ELEc tricity, launched at the end of 2011 during the UN Private Sector Forum: its objective is to fight energy poverty by providing isolated communities and disadvantaged people with sustainable access to electricity developing new business models.

NEW TARGET
Doubling the number of direct beneficiaries of ENabling ELEc tricity for the time horizon 2015-2019 to almost 5 million beneficiaries

NEW CRITERIA
New criteria for ENabling ELEc tricity to be in line with the Sustainable Energy for All (SE4All) principles
CSV IN PRACTICE: BAREFOOT COLLEGE
BRING THE SUN HOME- DOCUMENTARY