

Dear Sirs,

we would like to thank you for the opportunity to comment on your proposed story expected to be published on Opendemocracy platform “Damming dissent: how an Italian multinational is persecuting environmental defenders in Colombia”.

This gives us the chance to tell the story of El Quimbo HydroPower Plant and the current situation in Huila.

It is our opinion that the facts on which the article is based include a number of factual inaccuracies, misrepresentations and some basic misunderstandings of the case, of how the Colombian Legal System works and on the fundamentals of the Colombian energy market. In addition, some of the article statements have in the meanwhile ascertained as wrong, both in the Colombian Court of Law and in the court of Colombian public opinion.

We trust that the facts below will show that El Quimbo is a hydro power plant built according to a sustainable development vision more than the simple compliance with the environmental requirements, that are clearly fulfilled.

We would be delighted to work with you, as we do with many other act organizations who wish to engage constructively to ensure transparency and fairness, in an open and accurate debate.

Yours sincerely,

Giulia Genuardi – Head of Sustainability Planning and Performance Management

Carlo Ferrara – Head of Sustainability Colombia

The headline and sub-header of your article currently contain two factual errors:

It is neither EMGESA, nor its Italian shareholder Enel, that is calling to the court MILLER DUSSAN CALDERON, but the Colombian Legal System. The process is the FISCALIA GENERAL DE LA NATION against MILLER DUSSAN CALDERON and not EMGESA against MILLER DUSSAN CALDERON.

1. EMGESA S.A., in exercise of the legal duty established by the Colombian criminal procedure code, informed the judicial authorities of the serious facts presented on the occasion of the blockades promoted by the association ASOQUIMBO in January 2012.

2. The criminal notice brought to the attention of the competent judicial authority consisted in: pointing out the forced detention, confinement, threat and intimidation that people working in the premises underwent for several days as a result of the blockade. Despite the circumstances (more than 50 workers locked-up in the campsite for 15 days against their will, the stop of the works onsite) may have offered the opportunity of a stronger charge, the charge proposed was just way blockage.

3. The criminal action, as established by the Colombian Constitution and the criminal procedure regime, belongs exclusively to the FISCALIA GENERAL DE LA NACION, who, in the exercise of its functions must advance in the collection of information to establish the existence or not of the criminal conduct, and the authorship and participation of those responsible for it.

4. In pursuance of its constitutional function, the FISCALIA GENERAL DE LA NACION decided to file charges against Messrs. MILLER DUSSAN CALDERON and ELSA ARDILA MUÑOZ, as alleged perpetrators responsible for the conduct of Obstruction of ways, violating public order. The above, according to the collection of evidence obtained within the work of instruction developed, which allowed to reasonably infer the commission and authorship of the conduct investigated. It should be noted that in the course of the diligence

carried out on August 10, 2016 in the Municipal Court of Gigante, the Public Prosecutor's Office, verbally and publicly, set out in detail the grounds for the imputation of Charges. Likewise, contrary to what is stated in your publication, EMGESA S.A. did not participate in any way in the legal proceedings despite its legitimate status as a victim in the proceedings.

5. Mr. DUSSAN CALDERÓN even attempted to question and suspend the act of imputation of charges through the exercise of a constitutional action of guardianship filed before the Criminal Jurisdiction itself, which was rejected by both authorities: the Criminal Chamber of the Superior Court of Neiva and by the Criminal Chamber of the Honorable Supreme Court of Justice, who dismissed the existence of acts that violated the fundamental rights of the plaintiffs.

6. The reasons given by the Public Prosecutor's Office in the judicial procedure may be consulted as they are publicly disclosed.

The main body of the article misinforms readers of the fundamentals of the Colombian energy system:

It is essential to note that **El Quimbo was developed to respond to an energy demand formalized by the Colombian Government in order to guarantee national Energy Security**. In 2008, the Ministry of Energy and the Commission for the Energy Regulation launched a tender for energy generation to satisfy Colombian need of energy. Emgesa won such tender with El Quimbo project committing itself to be able to provide energy from 2015 on.

The hydro power plant went into operation on November 2015 and thanks to its 1,45 TWh generation in 2016 **Colombia did not have to activate measures of energy supply limitation towards its citizens during 2016 when an intense Nino phenomenon hit the Country**.

The main body of the article misrepresents certain social and environmental aspects of the project. The facts are the following:

Social

Since its first phase, El Quimbo has been developed with a strong focus toward the involvement of local communities and authorities. Before the release of the Environmental license, for the first time in the history of Colombia, a dialogue table was arranged among the Company, the National Government, the Regional Government, Municipalities and community representatives. The table reached an agreement on cooperation projects to be developed.

In 2009 the National Authority for Environmental License (ANLA) released the approval to the project and from 2010 Emgesa has been working on environmental and social management to comply with the license commitment under the strict control of the Authority.

An extensive social plan was designed and implemented. The two main programs were the **plan for the resettled families** and the **plan (“Energetic Entrepreneurs”) for the persons who worked daily** in the area of the basin but not living there (**and even informal workers received access to the census**). The census of those persons was approved by the national authority and is still open for persons who can claim and demonstrate their right to have access to those programs. The Census methodology has been revised by the authority in order to better guarantee the right to an effective participation to the community. This has not prevented however to lot of people to try to take advantage of the programs, even though they don't have the necessary requirements.

Two kind of solutions were offered to the 396 relocated families: a money compensation or the ownership of a **house and a productive land of 5 hectares where they could develop their own productive activities**. This approach is consistent with Enel Creating Shared Value approach; **the “house and land” solution goes well beyond the logic of simple compensation, embracing instead the idea of being a facilitator for local sustainable development**.

The value of compensation was defined by a Tripartite Commission, made up of: Representative of the owners (who was elected by popular election in 2009), representative of National Cadastre of the property and a representative of Emgesa. This commission carried out the procedure and methodology for the evaluation of properties of the owners and possessors families in the area of influence of the reservoir. This commission prepared the Manual of Unitary Values coherently within the legal framework of decrees by which the Ministry of Mines and Energy approved the Manual of Unit Prices that allows to determine the commercial valuation of the properties located within the area of direct influence of the El Quimbo Hydroelectric Project.

108 families were relocated in 4 collective communities, while 44 families chose an individual resettlement. 244 chose monetary compensation.

Since then, each family has received continuing support by a team of 30 professionals specialized in social, economic, agricultural and environmental issues, to establish the vocation of each family for the cultivation of land or livestock establishment in its parcel. The success of this approach is testified by the fact that many families of the individual resettlement are already economically independent and receive only technical assistance. The remainder will become economically independent during the course of the program.

The relocation process has been participative and inclusive, prioritizing the needs of the communities themselves:

- The areas hosting the 4 new relocation villages **were chosen by the community itself** with the constant presence of authorities as the ANLA and local Authority to guarantee citizens' rights (“Procuraduría”)
- Even the houses designing process has been **extremely respectful of each family's needs**. 6 different design solutions were offered to each family which could ultimately choose one.
- The house and land assignment process was **established by the community itself**
- All the families are entitled legally to the **ownership of the houses** with legalized water and energy supply. **This is the first case in Colombia of legalization of the ownership** for resettled families due to Hydro Power Plant.
- Each community already established their representative through the “Junta de Accion Comunal” model that is the basic **Colombian association of neighborhood**.
- Each community has **public services and social infrastructure** as Church, Schools, sport parks and green areas.

In each of these phases there was direct community participation: the community was the main actor in all of these initiatives.

To guarantee a smooth launch of their activities without economic pressure, the families for the first 2 years of their productive projects **will receive a money integration each month they do not achieve the equivalent of 2 monthly salary**. A technical assistance will be **guaranteed for the first 4 years**.

The Energy Entrepreneurs program offered to the not-resident persons six month of paid education in economics and entrepreneurship with the support of the local agency of the National Authority for Education and Training (SENA)

At the end of the training cycle they received a capital seed (between 25 and 45 millions of Colombian COP – 8,000 to 14,000 euro) to set up their own activity. **This program achieved 2,080 persons providing a capital of 67,000 million of COP (21 million of Euro) to the development of the Province.**

The total investment by Emgesa to fulfill its environmental and social commitments has been more than 795,000 million of COP (around 253 Millions of Euro), with additional 253,000 million COP (80 Millions of Euro) to comply with the voluntary agreement reached with the communities additional to the Environmental License.

Not to be underestimated is **the positive impact of the construction itself of El Quimbo on the local economy.** The project represented an investment of **more than 1.1 billion Euro**, which has boosted the development of the region, from its three work fronts: social, environmental and infrastructure, complying with the Environmental License where more than 30% of the total budget of the project was concentrated.

The project provided 4 relevant connections and 7 bridges including the longest bridge of rural Colombia (1.7km). Those connections shortened transportation time significantly improving the community life standards. Furthermore, 12.5 km of electric and telecommunication cables were reinstalled offering a better service to the users.

Environmental

El Quimbo HydroPowerPlant supports the tackle to climate change thanks to its CO₂ free generation. In 2016, its generation avoided the emission of 541.552 tons of CO₂ in atmosphere, and by 2030 will avoid around 10 million tons of CO₂ that otherwise would have been emitted into atmosphere for the generation of the equivalent energy according to the Colombian Energy structure.

Consistently with the License, Emgesa implemented 262 activities to fulfill the Ecology Restoration, the fishery program, the climate monitoring, the protection of the basin, the monitoring of the water quality.

There is an ongoing monitoring with the Authority of the impacts on vegetal life, land fauna, new water habitats, hydro – biological state.

A restoration plan is under development to achieve the protection of **11,079 hectares of “Bosque Seco Tropical”**.

All trees or plants with a body of 10 cm or larger were collected before the filling of the basin as required by the license. An oxygenation system has been adopted and the project is fulfilling the required levels to guarantee aquatic life in compliance with Colombian law. **Today, more than 25,000 water quality measurements by an independent acknowledge laboratory have been performed and disclosed.** From the environmental point of view the operation of the hydroplant is contributing to the improvement of the quality of the water.

Contrary to what the article suggests, there are NO DOUBTS about the legitimacy of the power plant.

On November 10 and 11, **ANLA carried out an environmental public hearing** requested by the Governor of Huila and attended by the Regional and Municipal control authorities, the Regional Environmental Authority, the Ombudsman’s Office and the communities of the 6 municipalities of the influence area of the Power Plant.

The Public hearing is the Colombian legal system regulated by Decree 330 of 207. The purpose of this mechanism is to make social organizations aware of the impacts that a project would generate and of the

management measures proposed or implemented to prevent, mitigate, correct and / or compensate for such impacts. In addition, the hearing allows the public bodies to receive opinions, information and documents provided by the community and other public or private entities. This was the first time in the Country's history that a public hearing was made about a plant already in operation. Such a public hearing also required community participation.

Asoquimbo had the opportunity to present its position during the hearing. **Interestingly, part of the communities publicly distanced themselves from Asoquimbo's position**, stressing that Asoquimbo was not representing the community. Moreover It is useful to note that the activists of Asoquimbo mainly come from an area **not involved with the construction of the hydro power plant** and are claiming to have rights to get access to the social programs developed by EMGESA.

The result of such analysis will be public at the end of February, but on certain points that have been mentioned in the article, EMGESA informed to the ANLA about fully compliance with the license.

EMGESA presented the environmental impacts identified with the Power Plant El Quimbo, the management plans established and the status of compliance with the obligations imposed on the environmental license and the commitments acquired at the conciliation tables held in 2009 and included in the license.

Therefore a transparent process is in place and it will be the Environmental Authority – ANLA – who will pronounce on the community requests, the state of the compromises, the environmental management plan progress and the management plans to fulfill the requirements.

Fracking has nothing to do with EMGESA or the operation of the El Quimbo power plant:

The statutes of EMGESA states that the Company generates and sell electric power. This of course is in no way related to Hydrocarbon exploration and exploitation, or indeed to any extractive activity.

Nevertheless, to help you ensure the accuracy of your article, we would point out that the Director of ANLA clarified during the public Audience that no license is required for fracking projects in the Huila department as well as in all of Colombia.

Sustainability at Enel

Enel's Group values rest on solid foundations through its Code of Ethics, the Zero Tolerance of Corruption Plan, the compliance program (according to D.lgs231/2001) and the Policy on Human Rights.

Enel promotes respecting of all Human Rights within its business relationships and adherence to the same Human Rights standards by its contractors, suppliers and business partners, paying particular attention to conflict-affected and high-risk contexts. Enel is **in constructive dialogue with Civil Society and all stakeholders around the world, and not just in Colombia.**

On September 25, 2015, the United Nations definitively adopted the **new Sustainable Development Goals** (SDGs) for 2030. An invitation to companies to provide their own contribution – also through their ability to innovate – to address the challenges of sustainable development, such as poverty, the right to education, access to work, gender equality, the universal supply of water, access to energy and climate change. On that occasion **Enel announced specific commitments to contribute to achieving four of the 17 goals.**

In particular, **in committing to guarantee access to energy (3 million beneficiaries by 2020), to support educational projects (400.000 beneficiaries by 2020), to promote employment and inclusive, sustainable and lasting economic growth (1.5 million beneficiaries by 2020) and to combat climate change.** Enel also confirmed its own goal of reducing CO2 emissions to a full decarbonization of the energy mix by 2050. By way of demonstration of its commitment to sustainable development, these goals are part of its strategy.

Enel is focusing on the **Creating Shared Value (CSV)** model as the way to integrate sustainability into business. Energy business for its nature itself must adopt a long term horizon, when we build up a plant we become part of such community, and we believe that only through a shared value perspective is it possible to operate a plant successfully, contributing to the development of the community and therefore of our company as well.