

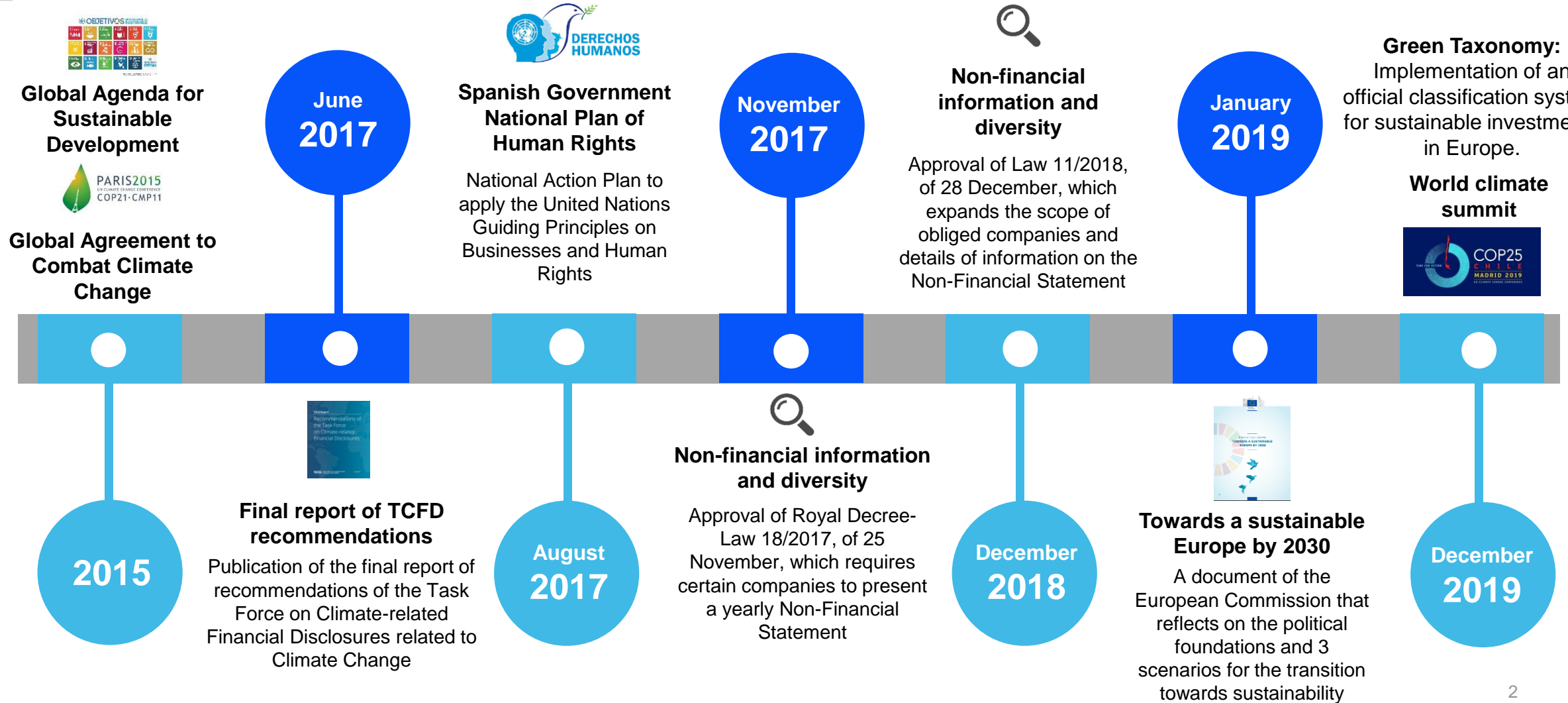
2020-2022 ENDESA Sustainability Plan

endesa



Regulatory frameworks and public policies

Context in Europe and Spain



General context

An increasingly complex world



Environmental activism



Effects of Climate Change



Response to increasing inequality



Political instability

General context

Stakeholders' new participation



From WWF...

Hierarchical structure



...To FFF?

Unstructured stakeholders

FRIDAYS FOR FUTURE



Need for a **smooth, flexible and fast integration** that is adequate to understand dynamics and movements that **are not intercepted by current methods**

General context

Relevant topics in sustainability increase their importance



MAIN SUSTAINABILITY TOPICS

Plastics & waste



Biodiversity



Food & health



Adaptation



Energy transition



EMERGING SUSTAINABILITY TOPICS

Inequality



Water



Air quality



Mental health



Fashion



Sustainability of the current economic model

The world needs a change



Davos 2020 Manifesto: The universal purpose of companies in the Fourth Industrial Revolution



Image: REUTERS/Arnd Wiegmann - RC149B671960

Source: World Economic Forum

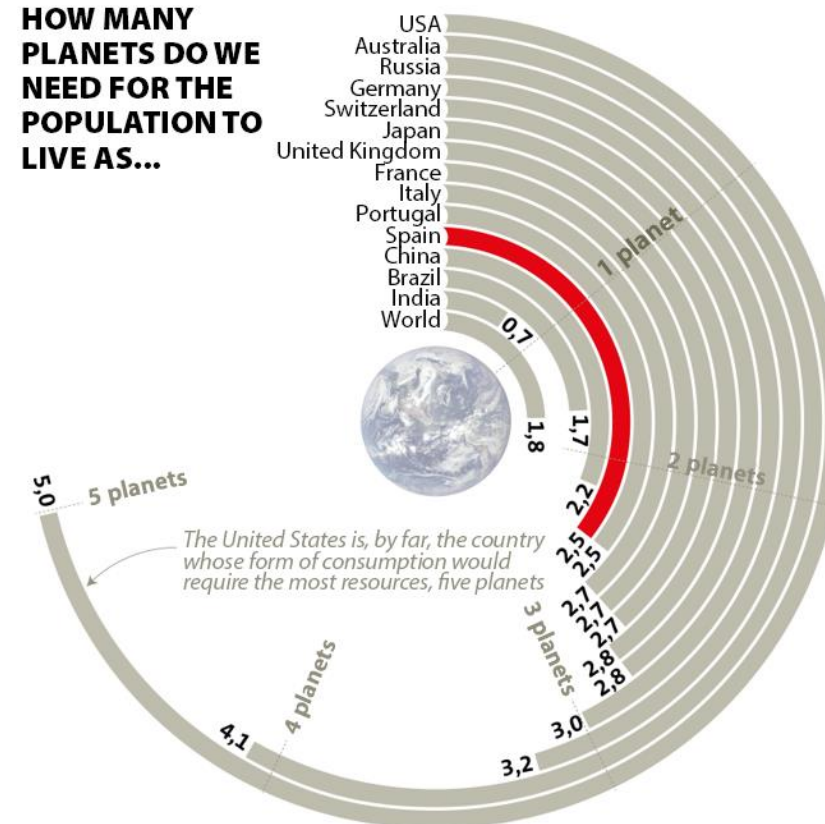
Put sustainability at the centre of how we invest

Sustainability-integrated portfolios can provide better risk-adjusted returns for investors. Sustainability will drive the way we manage risk, build portfolios, design products, and engage with companies.



Source: BlackRock

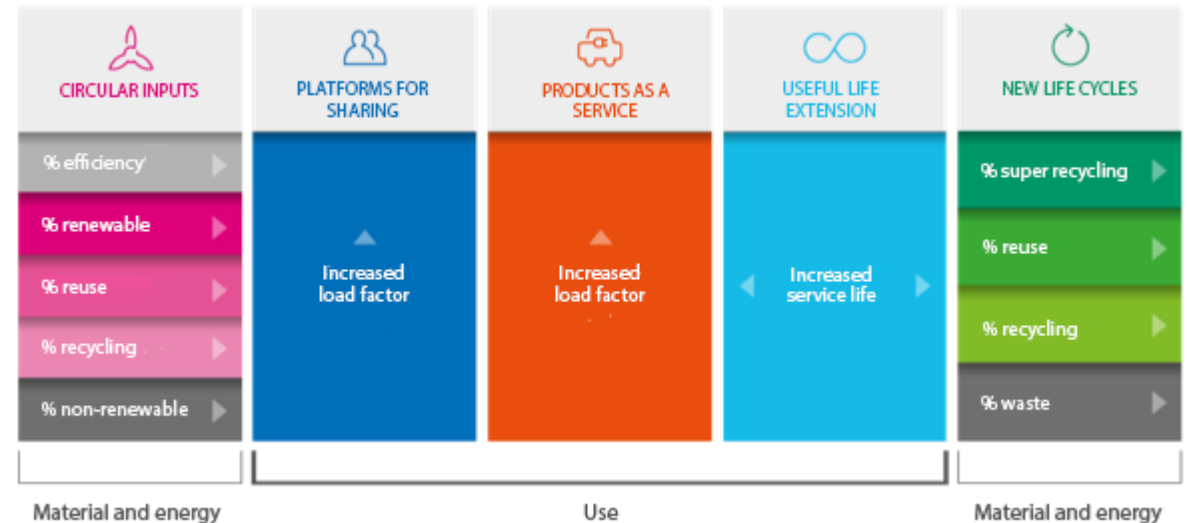
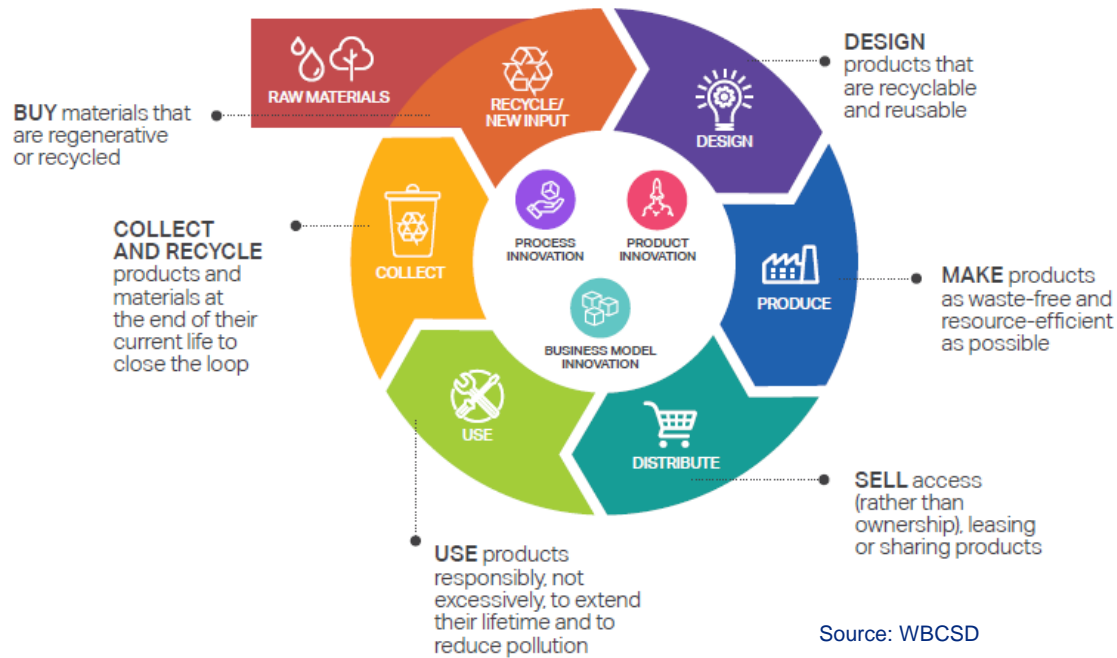
HOW MANY PLANETS DO WE NEED FOR THE POPULATION TO LIVE AS...



Source: Global Footprint Network

Circular Economy

Circularity model



Materiality Analysis and Sustainability Plan 2020-2022

endesa

Climate action

Sustainable Cities
and Communities

Industry,
Innovation
Infrastructure

Affordable and
clean energy



Contents



Materiality Analysis and Sustainability Plan 2020-2022

Climate action

Sustainable Cities
and Communities

Industry,
Innovation
Infrastructure

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clean energy



Sustainable Business Model

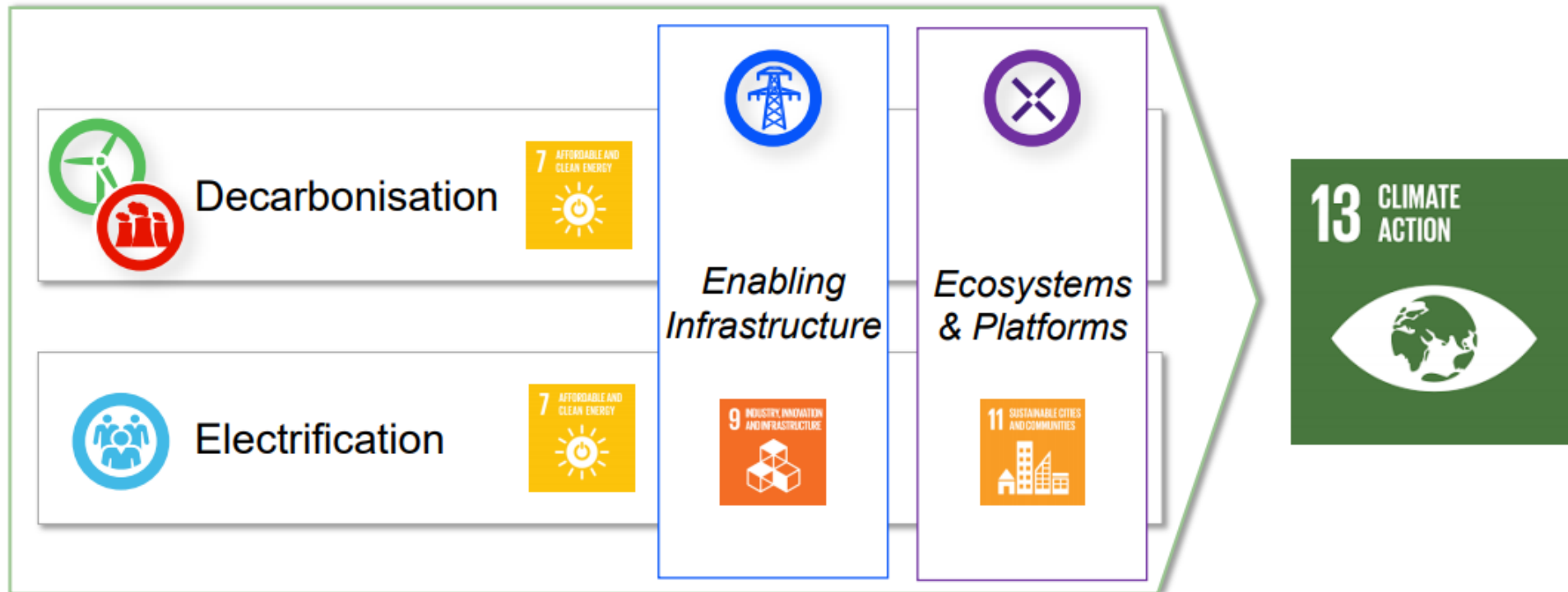
Materiality Analysis

2020-2022 Targets

Results 2019

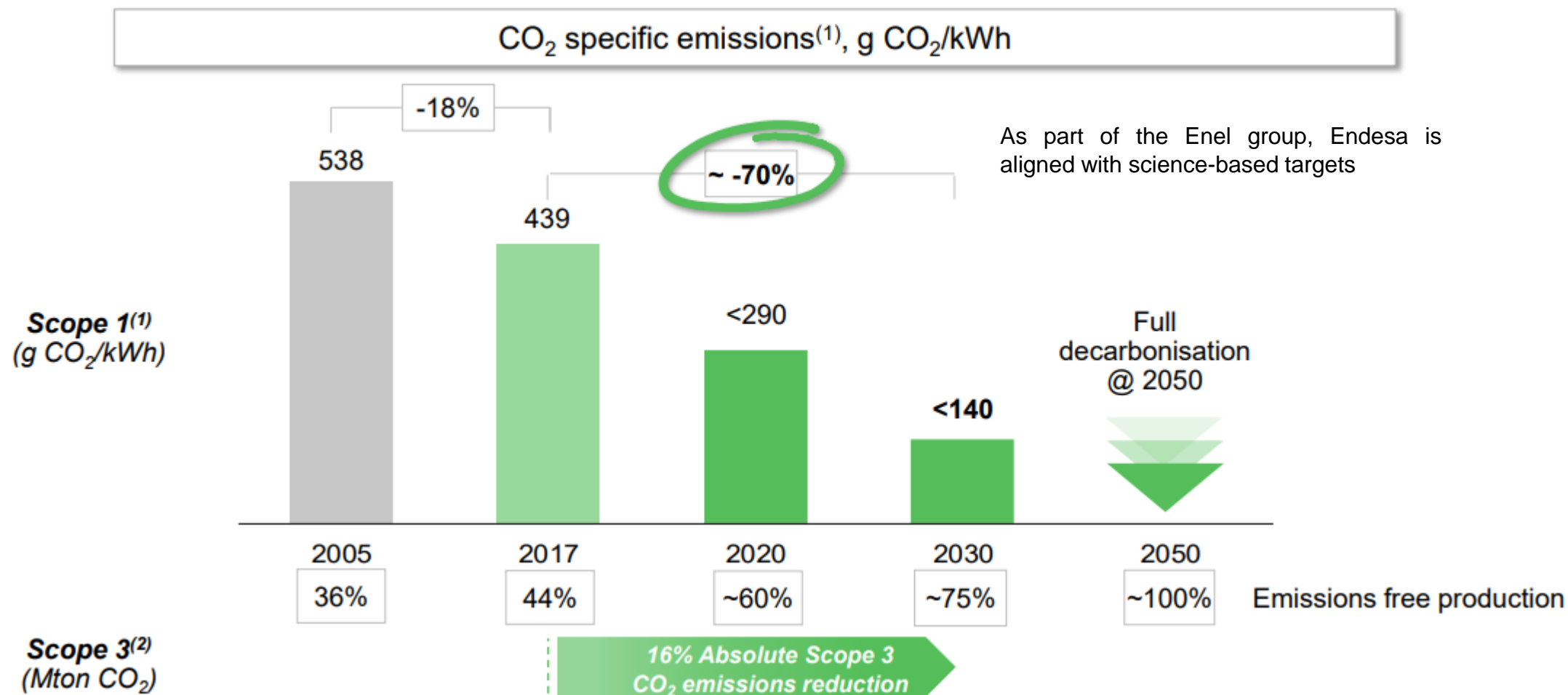
Sustainable Business Model

Sector trends that shape our capital allocation



Sustainable Business Model

Progressing towards full decarbonisation by 2050



(1) Scope 1: Direct emissions

(2) Scope 3: Non-direct emissions (gas sales and others)



Materiality Analysis 2019

Materiality Analysis 2019

Stakeholders analysed



Queries and analysis

Trend analysis



Review in **reference sources** of the main business or sustainable circumstances with possible current or future effect on the company's activities.

Analysis of Media and Social Networks



Analysis of publications about the company in reference media and entities. Analysis and categorisation of **news** according to the areas of sustainability.

External interviews



Telephone interviews with external stakeholders (civil society and local communities and the business community).

Institutional analysis



Analysis of the programmes of the **main political parties** to know the importance attached to each of the material issues.

Investor analysis



Review of **investor** considerations on sustainability issues based on representatives of different investor groups.

External surveys



On-line surveys of external stakeholders (Suppliers and Customers).

Interviews with managers



14 in-depth interviews with Endesa CEOs.

Sustainability Indices



Analysis of the most relevant **sustainability indexes** for the Company and other RSI analysts.

Benchmark



Review of the assigned relevance and the degree of maturity in the management of the **main competitors**.

Employee survey



Focus group with Endesa employees.

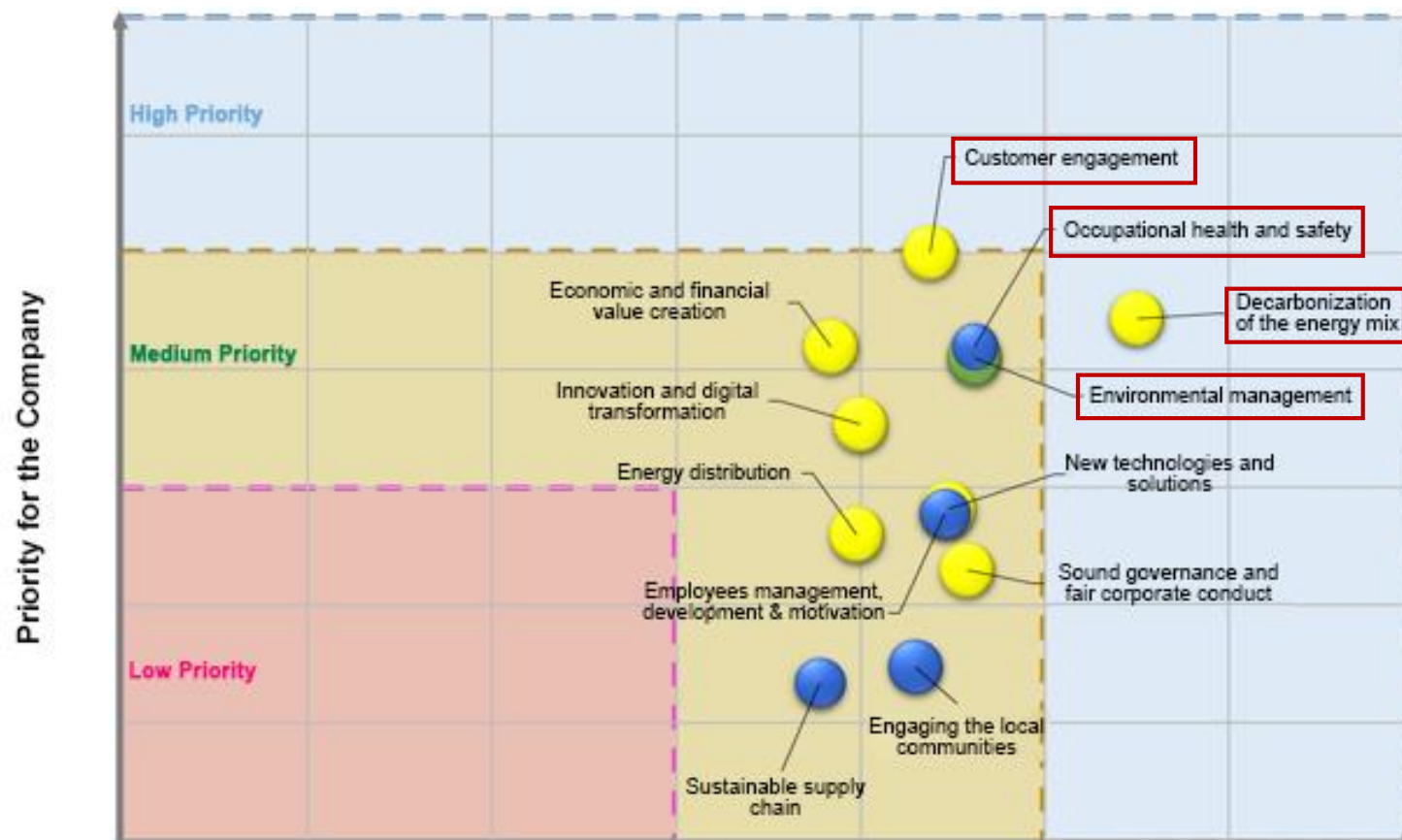
Review of other studies



Review of **studies carried out** for another purpose, but incorporating issues related to the company's sustainability.

Materiality Analysis 2019

Matrix 2019: Stakeholder priority v. Company priority



The presented materiality matrix structures the material issues into **3 sections** (high priority, medium priority and low priority issues), classifying them according to the **expectations of the Stakeholders** and the internal **strategic view of the Company**.

Relevant issues

Decarbonization of the energy mix
Customer engagement
Occupational health and safety
Environmental management
Economic and financial value creation
Innovation and digital transformation
New technologies and solutions
Employees management, development & motivation
Sound governance and fair corporate conduct
Energy distribution
Engaging the local communities
Sustainable supply chain

Legend:

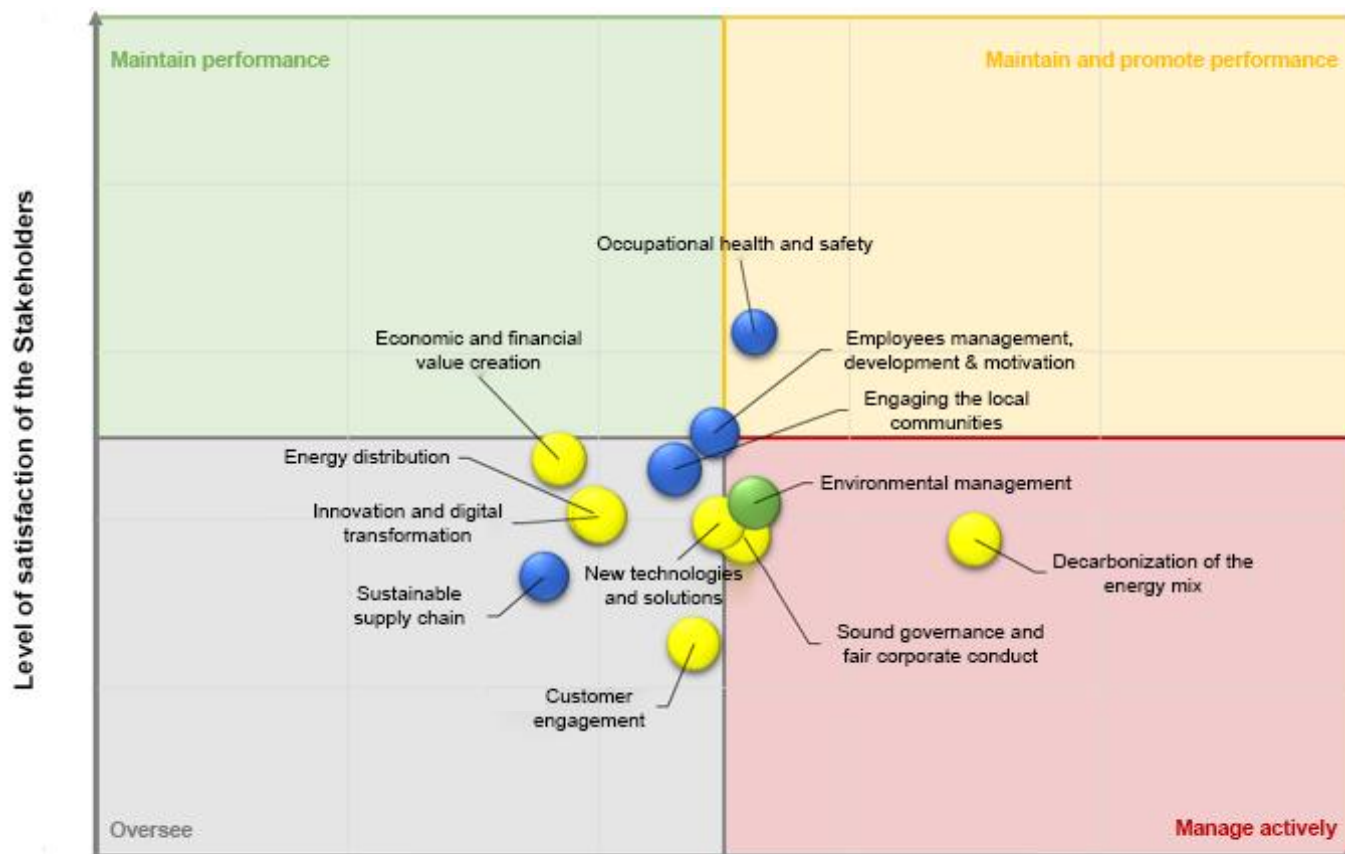
Business & Governance Dimension

Environmental Dimension

Social Dimension

Materiality Analysis 2019

Areas of action to guarantee Endesa's sustainability



Priority of issue for Stakeholders

Legend:



Business &
Governance
Dimension



Dimension
Environmental



Dimension
Social

Most relevant issues	Priority	Satisfaction
Decarbonization of the energy mix	4.25	3.44
Customer engagement	3.69	3.13

Relevant issues	Priority	Satisfaction
Occupational health and safety	3.81	4.06
Environmental management	3.81	3.55
Economic and financial value creation	3.42	3.68
Innovation and digital transformation	3.50	3.51
New technologies and solutions	3.74	3.49
Employees management, development & motivation	3.73	3.76
Sound governance and fair corporate conduct	3.79	3.45
Energy distribution	3.49	3.52
Engaging the local communities	3.65	3.65
Sustainable supply chain	3.39	3.33

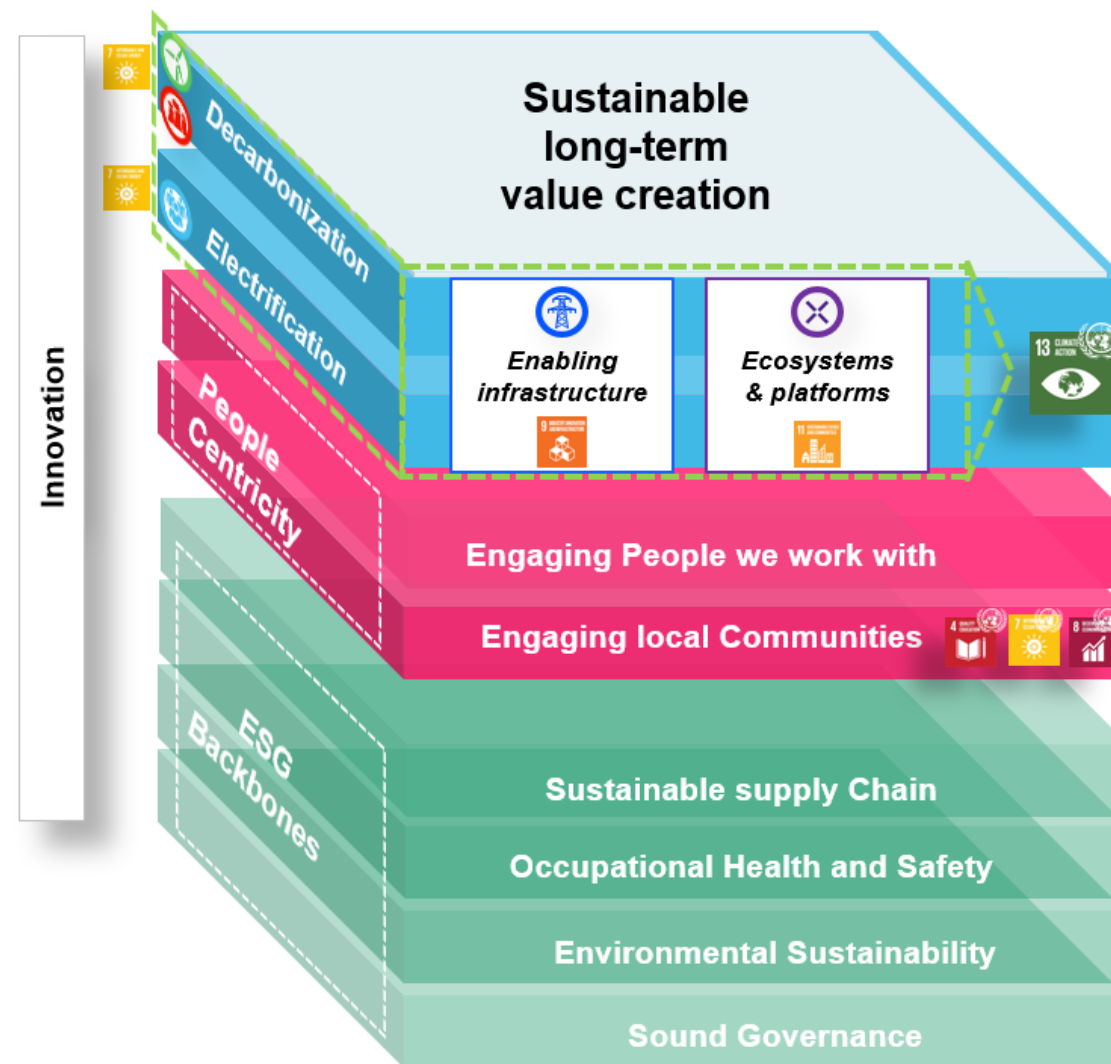


2020-2022 Targets

A sustainable business model driving the change through innovation



Sustainability Plan 2020-2022



Sustainability Plan and SDGs

Endesa's contribution to the SDGs



**SUSTAINABLE
DEVELOPMENT
GOALS**

100%

Decarbonisation of the
energy mix in 2050

13 CLIMATE
ACTION



2,800 MW

Growth in renewables in
2020-2022

9 INDUSTRY, INNOVATION
AND INFRASTRUCTURE



11 SUSTAINABLE CITIES
AND COMMUNITIES

7

AFFORDABLE AND
CLEAN ENERGY



~ €950M

Investment in 2020-2022 to
transform the energy future

700 k

Beneficiaries of education
programmes
(2015-2030)

8

DECENT WORK AND
ECONOMIC GROWTH



1.7 M

Beneficiaries of socio-
economic programmes
(2015-2030)

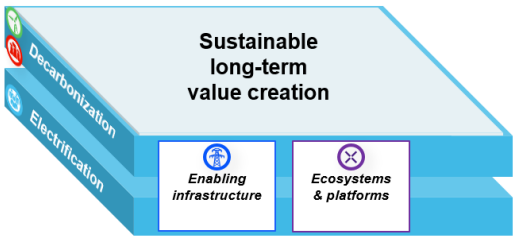
4

QUALITY
EDUCATION



Endesa Sustainability Plan 2020 - 2022

Strategic pillars



Decarbonization (1/3)

Reduction of specific CO₂ emissions (g/KWh)

CO₂-free production

Decrease in installed fossil thermal capacity²

NEW

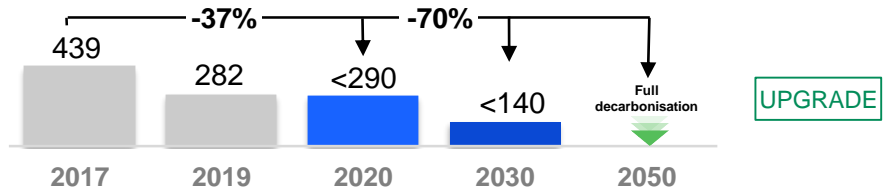
Increase in renewable capacity²

Production from renewable sources³ (TWh)

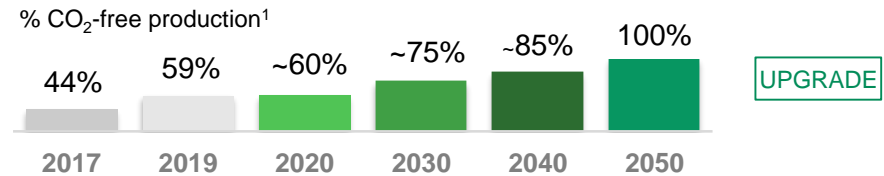
Storage capacity installation (capacity increase in MW)



2020-2022 Targets



UPGRADE

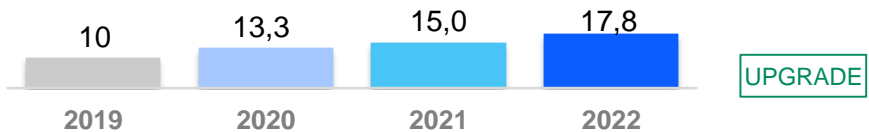


UPGRADE

5.3 GW in the period 2020-2022

~ 2.8 GW in the period 2020-2022

UPGRADE



UPGRADE

4 MW in 2020 in Melilla and 2 MW in 2021 in the Balearic Islands

1: Estimate considering the total production measured in plant bars
2: Gross Installed Capacity
3: Net production

NEW

New Target

UPGRADE

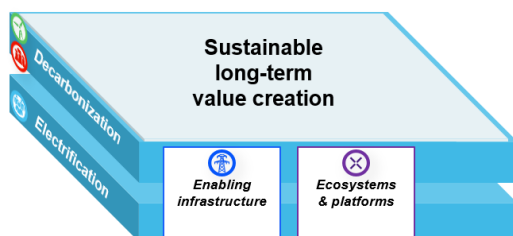
Target increase v. previous plan



Redefined target

Endesa Sustainability Plan 2020 - 2022

Strategic pillars



Decarbonization (2/3)

2020-2022 Targets

Maintain high efficiency in renewable power plants

94.8% in wind power in 2020-2022
98.8% in hydraulics in 2020-2022

ISO 9001 quality certification in thermal and renewable generation assets

Maintain 100% in the period 2020-2022

Investment in digitalisation in power generation¹ assets



~ €21 million in the period 2020-2022

Circular Economy

Promote a cultural change that supports the development of the Circular Economy

NEW

2020 Circular Economy internal disclosure campaign

Inclusion of a course on the Circular Economy in Endesa's training portfolio in 2021

> 5 informative sessions per year for employees in 2020-2022

Performance of one experiential project per year in the period 2020-2022

20

1: Includes Thermal Generation + Renewables

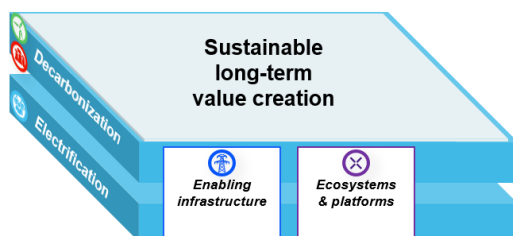
NEW New Target

UPGRADE Target increase vs. previous plan

Redefined target

Endesa Sustainability Plan 2020 - 2022

Strategic pillars



Decarbonization (3/3)

2020-2022 Targets

Second life search for assets from thermal power plants that cease operations

NEW

2 power plants a year in 2020 and 2021

Application of circularity criteria in the awarding of tenders

NEW

3 circularity criteria in 2021

Increase of the weighted weight over the total tender by at least 0.5% in 2022

No. of Futur-e projects

NEW

5 projects in 2022

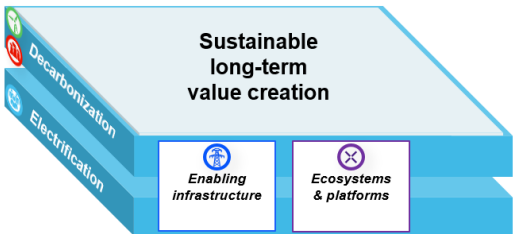
NEW New Target

UPGRADE Target increase vs. previous plan

Redefined target

Endesa Sustainability Plan 2020 - 2022

Strategic pillars



Enabling infrastructure (1/2)

Reduction of electricity losses¹
(% losses measured in substation bar)

Energy Recovery

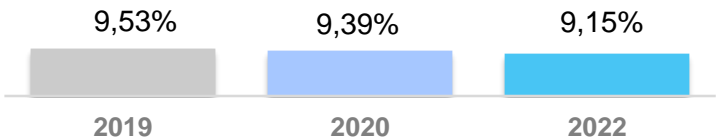
Improved supply continuity
(Installed Power Equivalent Interruption Time², min)

Deployment of the remote management plan in the Low Voltage network (millions of installed remote counters)

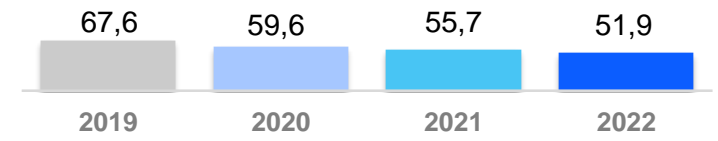
Installation of remote controls in the Medium Voltage network (accumulated)

SIMON Project: Technological update of the High Voltage remote control system (accumulated)

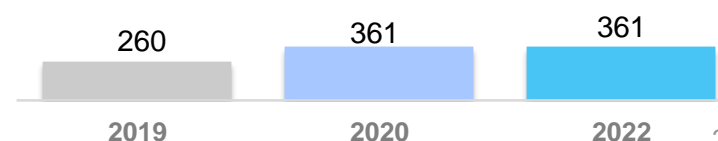
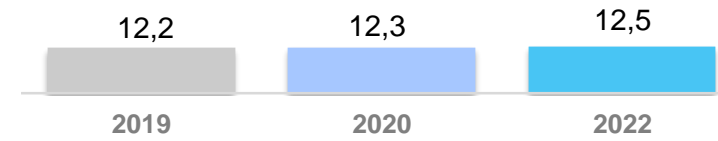
2020-2022 Targets



3,200 GWh in the period 2020-2022



UPGRADE



1: System Operator criteria
2: Own + programmed Installed Power Equivalent Interruption Time



New Target



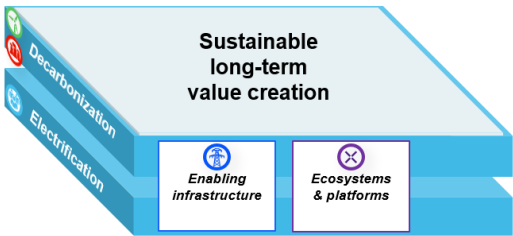
Target increase v. previous plan



Redefined target

Endesa Sustainability Plan 2020 - 2022

Strategic pillars



Enabling infrastructure (2/2)

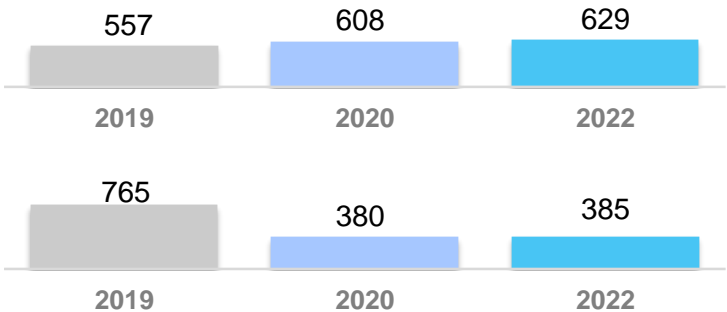
Number of new renewable producer connections

NEW

Power of new renewable producer connections (MW)

NEW

2020-2022 Targets



NEW

New Target

UPGRADE

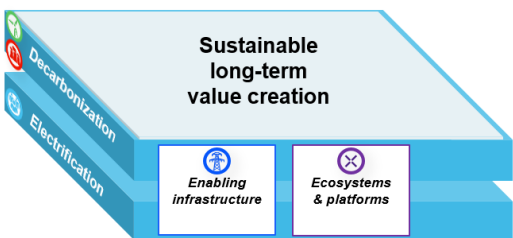
Target increase v. previous plan



Redefined target

Endesa Sustainability Plan 2020 - 2022

Strategic pillars



Ecosystems and platforms (1/2)

2020-2022 Targets

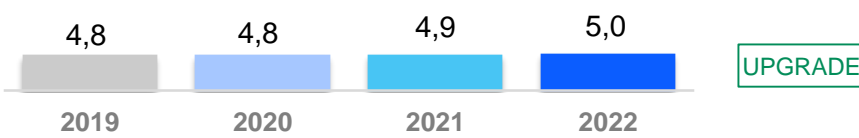
Investment in the digitalisation of assets, the customer and our people (€ millions invested)

~ €950 million in the period 2020-2022

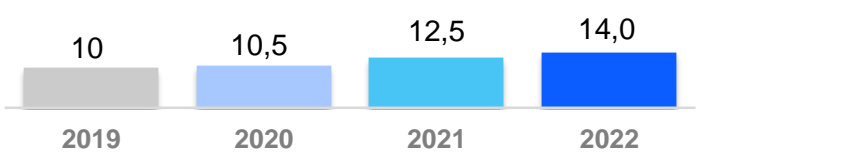
Investment in customer digitalisation (€ millions invested)¹ NEW

~ €150 million in the period 2020-2022

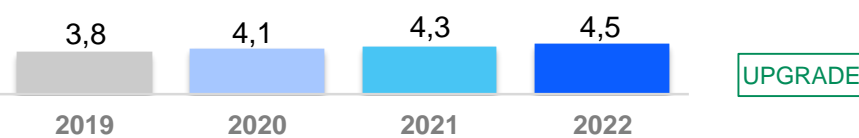
Digital customers (millions of contracts that have made a contact via digital channel)



Digital sales (% of sales of digital channels over total sales) REDEFINED



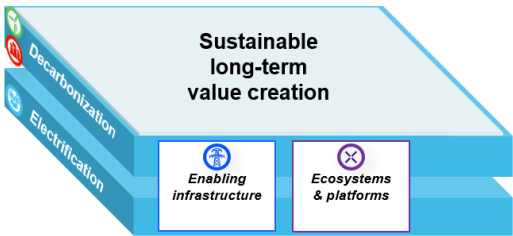
Promotion of electronic billing (millions of contracts)



1: Includes EE + Endesa X

Endesa Sustainability Plan 2020 - 2022

Strategic pillars



Ecosystems and platforms (2/2)

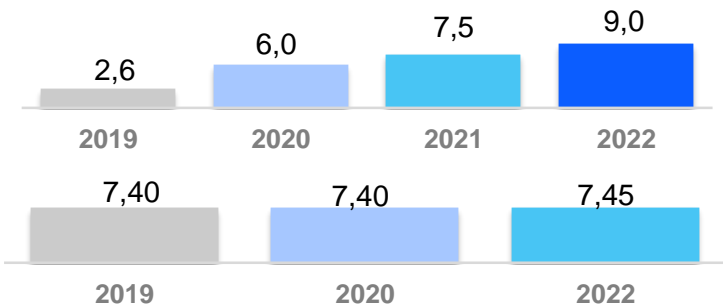
Promotion of the virtual assistant in care via CAT¹
(% of interactions attended by the Virtual Assistant)

NEW

Quality: Improvement of global customer satisfaction

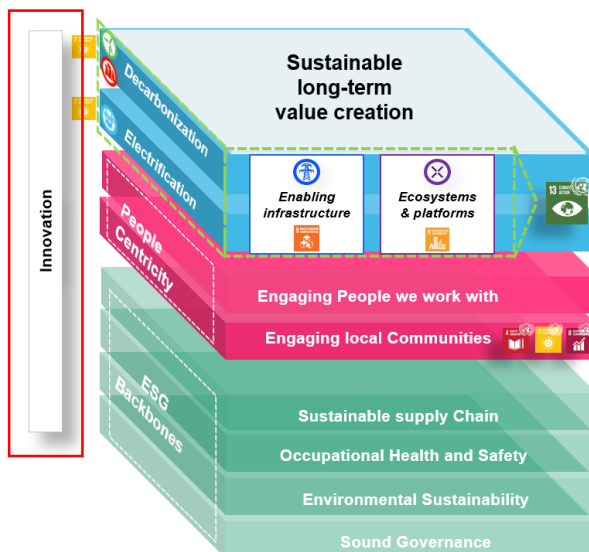
Number of electric vehicle charging points (Public and private use)

2020-2022 Targets



36,000 charging points in 2022

1: CAT = Telephone Attention Channel



Innovation

Promotion of collaboration with start-ups for the development of new energy solutions and the improvement of internal processes

Promotion of the culture of innovation

Cybersecurity

Promotion of cybersecurity in web applications exposed to the internet

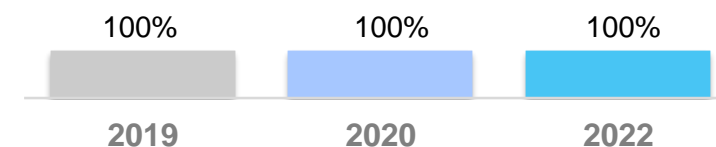
Promotion of cybersecurity awareness among employees and family members (number of actions)

2020-2022 Targets

15 projects with start-ups in the period
2020-2022

5 annual innovation events

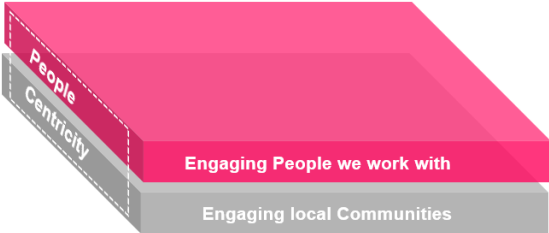
2020-2022 Targets



45 actions in the period 2020-2022

Endesa Sustainability Plan 2020 - 2022

People centricity



Engaging people we work with (1/4)

Diversity and inclusion

Increase the presence of women in positions of responsibility (%)

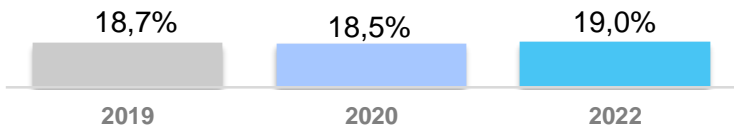
Promotion of gender diversity in selection processes (% women)

Promotion of gender diversity in personnel recruitment (global% of women)

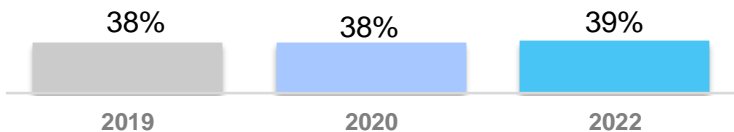
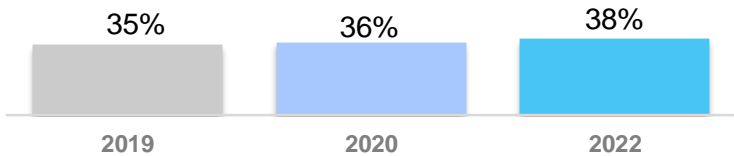
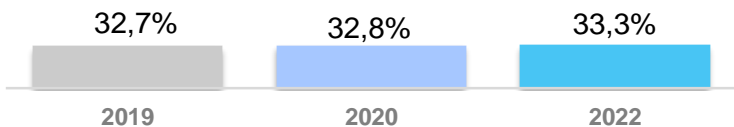
Professional guidance in STEM areas for women

2020-2022 Targets

Management Positions⁽¹⁾



Middle management positions⁽¹⁾



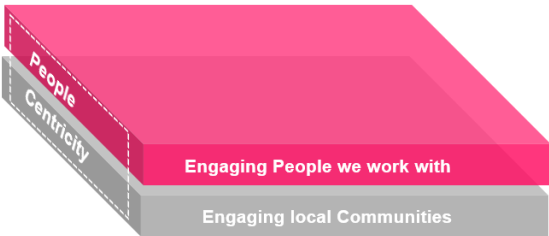
UPGRADE

> 1,800 women involved in the period 2020-2022

1: Middle management positions: TOP 200 + managerial level + local managers // middle managers: CGI + Agreement with staff in charge

Endesa Sustainability Plan 2020 - 2022

People centricity

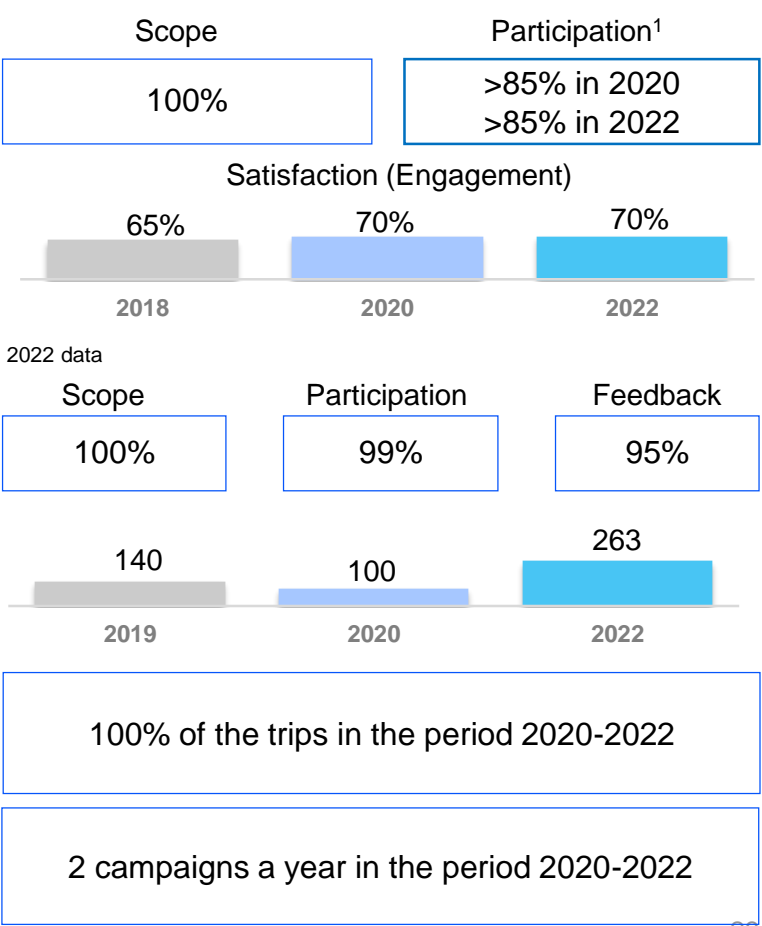


Engaging people we work with (2/4)

Satisfaction, performance and development

- Promote the level of employee involvement and satisfaction (% employees)
- Assessment of behaviour (% employees)
- Number of people included in the knowledge transfer initiatives (mentoring, age and gender)
- Travel safety: Extension of the e-Travel digital portal to add itinerary planning functions and authorisations for all countries.
- Disability. Launch of specific campaigns to integrate disability and make possible new cases emerge. (number of specific communications)

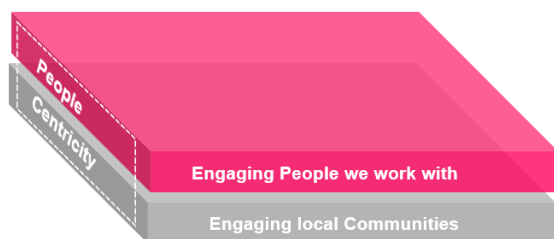
2020-2022 Targets



1: Biennial survey

Endesa Sustainability Plan 2020 - 2022

People centricity



Engaging people we work with (3/4)

Training

Promotion of training to employees (hours/employee)

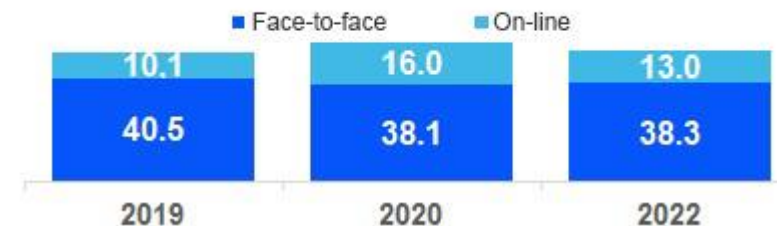
Capacity improvement and recycling programmes for employees affected by the energy transition (hours of training per year/person)

Continuous learning and entrepreneurship - Dissemination of the "teaching the teacher" approach (number of courses taught by internal monitor)

Tutoring programme for new incorporations (number of courses per person/year)

Number of employees participating in digital transformation training programmes

2020-2022 Targets



118 hours per year/person in the period 2020-2022

200 courses in the period 2020-2022

8 courses/person in the period 2020-2022

> 1,300 employees in the period 2020-2022

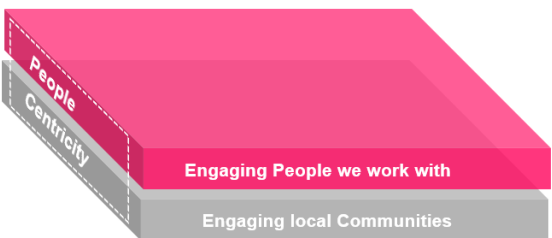
NEW New Target

UPGRADE Target increase v. previous plan

REDEFINED Redefined target

Endesa Sustainability Plan 2020 - 2022

People centricity



Engaging people we work with (4/4)

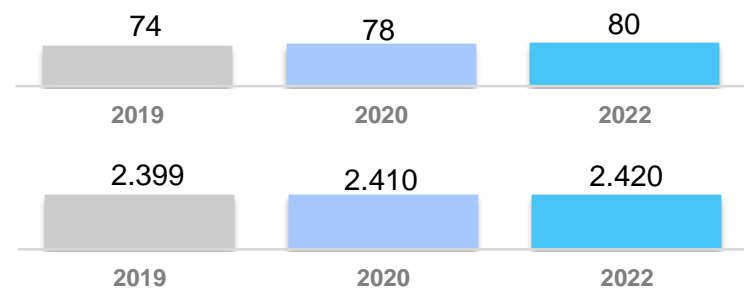
Conciliation

Promotion of services that favour the reconciliation of employees¹ (number of services)

Promotion of smartworking (number of employees)

Improvement of work areas in offices (no. Employees benefited)

2020-2022 Targets

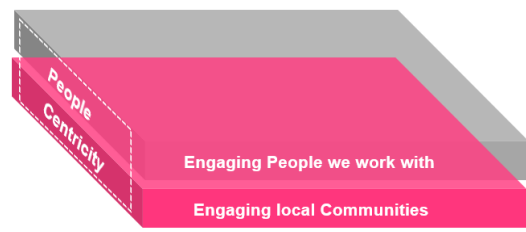


1,829 employees in the period 2020-2022

1: The data refer to the total number of services offered in the set of the 7 Endesa headquarters, such as: financial advice, nutritionist, travel agency, vehicle rental, vehicle cleaning and repair, dry cleaning, restoration, changing room, breast-feeding room, etc.

Endesa Sustainability Plan 2020 - 2022

People centricity



Engaging local Communities

2020-2022 Targets

Education (number of beneficiaries)	700,000 beneficiaries (Period 2015-2030)
Access to energy (number of beneficiaries)	4,800,000 beneficiaries (Period 2015-2030)
Socio-economic development (number of beneficiaries)	1,700,000 beneficiaries (Period 2015-2030)
Implementation of projects to create shared value for local communities (number of CSV plans under management) NEW	<div><div>>55</div><div>>65</div><div>>75</div><div>202020212022</div></div>

The data consider the period 2015-2030 (accumulated), alienated from the Enel Group's public commitments to the United Nations Sustainable Development Goals. Furthermore, consider the activities of ENDESA and its Foundation, specifically:

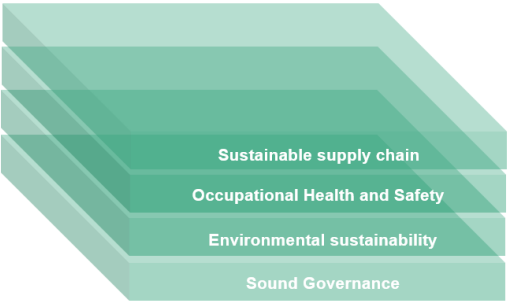
Access to energy: Includes projects for minimising economic barriers to access to energy, promoting technical education and training in the field of energy, promoting energy efficiency, awareness of energy use and technological and infrastructure development to facilitate access, and access to electricity for vulnerable groups.

Socio-economic Development: Includes projects to promote employment and generate economic activity in the community, knowledge transfer and training and support for local business activities.

Education: Includes projects to support training activities that involve students, families, schools and universities and the promotion of academic training, in general, not only related to energy, through scholarships, chairs, etc.

Endesa Sustainability Plan 2020 - 2022

ESG Backbones



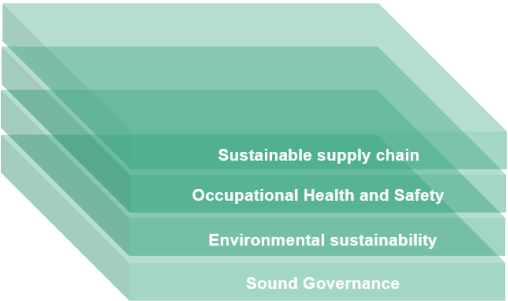
Sustainable supply chain

2020-2022 Targets

Promotion of the qualification system: Volume of purchases made from qualified suppliers (% of the total)	80% 2019 2020 2022
Verification of human rights aspects in the supplier qualification process (% qualified suppliers)	100% in the period 2020-2022
Verification of security aspects in the supplier classification process (% qualified suppliers)	100% in the period 2020-2022
Verification of environmental aspects in the supplier qualification process (% qualified suppliers)	100% in the period 2020-2022
Purchase volume on which performance is evaluated	40% 2019 2020 2022
Evaluation of contractor companies in social, environmental and ethical matters (% of contractor companies evaluated)	15% each year in the period 2020-2022
Contracts that include the K of sustainability (% of total) NEW	>50% of tenders in the period 2020-2022

Endesa Sustainability Plan 2020 - 2022

ESG Backbones



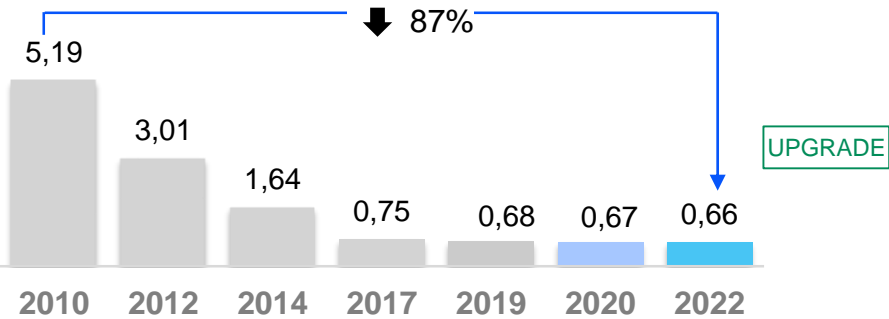
Occupational Health and Safety

2020-2022 Targets

Reduction of fatal accidents (number of fatal accidents)

0 in the period 2020-2022

Reduction of the combined accident frequency rate



Promotion of the performance of safety inspections in own and contractor facilities (number of inspections)

210,000 inspections in the period 2020-2022 (70,000 a year)

Promotion of ECoS (extra checking on site) (number of ECoS)

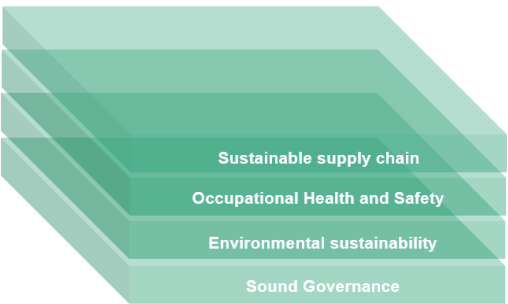
72 ECoS in the period 2020-2022 (24 a year)

Promotion of medical examinations (number of examinations)

~ 18,700 examinations in the period 2020-2022 (~ 6,244 a year)

Endesa Sustainability Plan 2020 - 2022

ESG Backbones



Environmental sustainability (1/5)

2020-2022 Targets

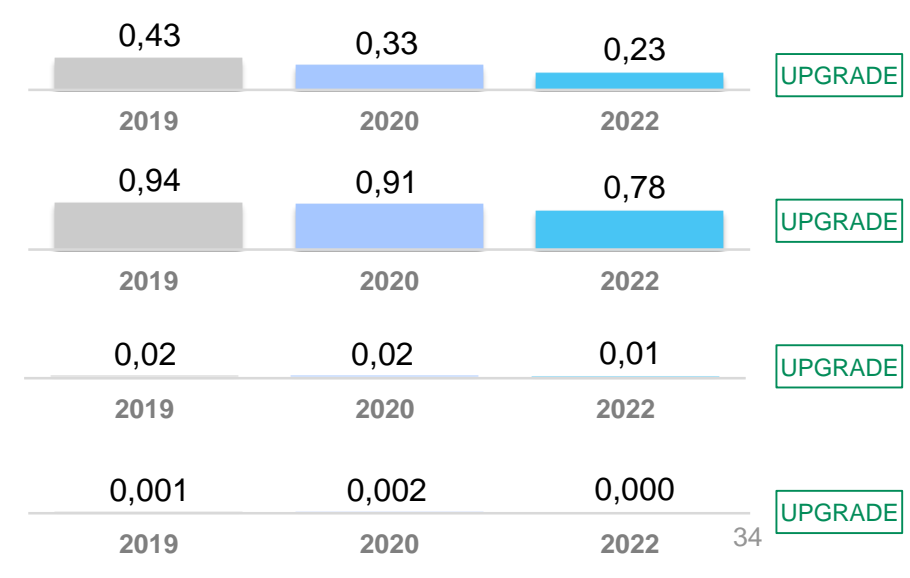
Environmental management

- Implementation of environmental management systems certified by ISO 14001 (% of facilities)
- Reduction of the environmental footprint (% reduction vs 2019)

- 100% of generation and distribution facilities in the period 2020-2022
- 22% reduction in 2022

Air quality

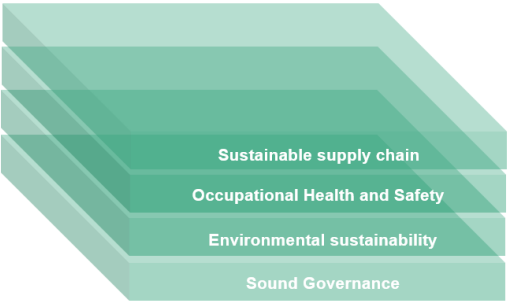
- Emissions of SO₂ (g/kWh_{bc})
- NOx emissions (g/kWh_{bc})
- Particle emissions (g/kWh)
- Mercury emissions (mg/kWh)



Note: The data consider the production in plant bars provided in BIP 2020-2022 for Spain and Portugal (not including Morocco)

Endesa Sustainability Plan 2020 - 2022

ESG Backbones

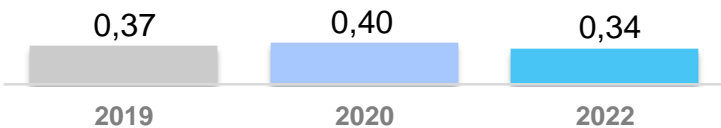


Environmental sustainability (2/5)

2020-2022 Targets

Water

Reduction of water catchment in the electricity generation process (m³/MWh)



UPGRADE

Waste

Promote efficiency in the management of waste generated in the electricity generation process

Waste production¹
<25,000 tonnes in 2022

UPGRADE

Biodiversity

Implementation of biodiversity conservation programme (number of actions)

>20 actions carried out annually in the period 2020-2022

1: Hazardous and non-hazardous waste

Endesa Sustainability Plan 2020 - 2022

ESG Backbones



Environmental sustainability (3/5)

2020-2022 Targets

Building Management

Certification in energy, environmental and indoor air quality management in offices	50% of the certified office area in 2022
Reduction of energy consumption ¹ (% of annual reduction)	0.5% in the period 2020-2022
Reduction of water consumption ¹ (% of annual reduction)	0.5% in the period 2020-2022
Reduction in the generation of waste paper and cardboard ¹ (% reduction)	> 3% in the period 2020-2022
Reduction of the generation of single-use plastics in offices ²	<div> <div>Vs 2018</div> <div> <div>50%</div> <div>65%</div> <div>70%</div> </div> <div> <div>2020</div> <div>2021</div> <div>2022</div> </div> </div>
Reduction of space in all Endesa buildings (reduction of m2)	8,443 m2 reduced in the period 2020-2022
Reduction of CO ₂ emissions in buildings ³ (% reduction vs 2019)	6% reduction in 2022

1: Only SIGAEC buildings are included
 2: Objective based on all the offices integrated in SIGAEC.
 3: The reduction of emissions is determined by the reduction of energy consumption and office space



New Target



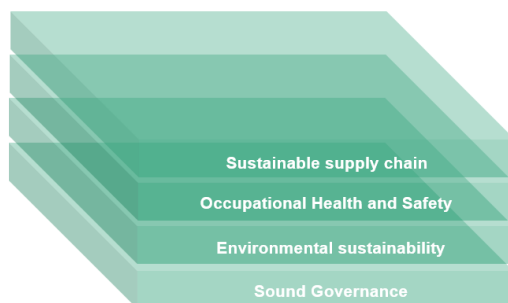
Target increase v. previous plan



Redefined target

Endesa Sustainability Plan 2020 - 2022

ESG Backbones



Environmental sustainability (4/5)

2020-2022 Targets

Equity assets

Development of actions with social function on patrimonial assets (number of actions per year)

>10 actions in the period 2020-2022

Improve the integration of buildings in the environment (€ M invested)

~ €10 million in the period 2020-2022

Sustainable mobility: Fleets and employees

Sustainable fleet management: electrification and optimisation



16.5% of electric vehicles in the fleet in 2022



48.5% of plug-in hybrid vehicles in the fleet in 2022

NEW



15% of hybrid vehicles in the fleet in 2022

71% reduction in combustion vehicles in the fleet in 2022 (vs 2019)

Reduction of CO₂ emissions in the management of Endesa's fleets (% reduction vs 2019)¹

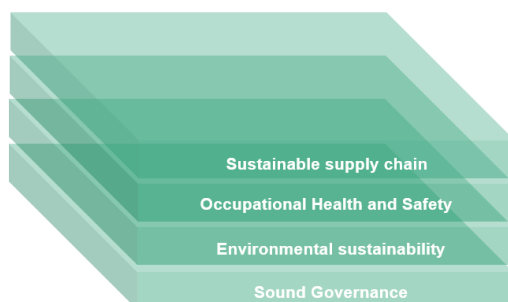
32% reduction in 2022

UPGRADE

1: Fleet emissions in 2019: 5,063 tons of CO₂

Endesa Sustainability Plan 2020 - 2022

ESG Backbones



Environmental sustainability (5/5)

2020-2022 Targets

Sustainable mobility: Fleets and employees

Electrification of car park at headquarters (number of places) ¹	650 places for electric vehicles in 2022
Responsible management of taxi use	46% employees in shared taxi in 2022 ²
Promotion of the e-carsharing service (km travelled)	78% km done in ecotaxis in 2022 ³
E-car sharing (number of employees)	> 320,000 km in the period 2020-2022
E-bike service (km travelled) NEW	80 employees in 2022
Electric scooter service (km travelled) NEW	24,000 km in the period 2020-2022
Transport card (number of employees)	9,000 km in the period 2020-2022
	~ 880 employees in 2022 UPGRADE

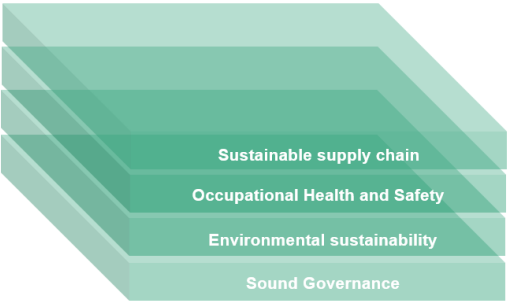
1: The data consider the places that have an electric vehicle recharging system installed.

2: % of the total number of employees who use the taxi for their professional trips.

3: Ecotaxis uses some of the following technologies: hybrid, electric, LPG or CNG.

Endesa Sustainability Plan 2020 - 2022

ESG Backbones

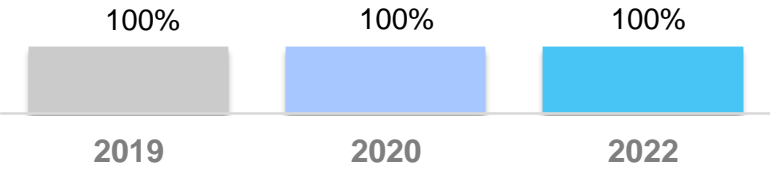


Sound Governance (1/2)

2020-2022 Targets

Promotion of good governance practices
Promotion of the prevention of criminal risks
Analysis of complaints through the ethical channel
Maintain a high level of excellence in ethical conduct and be recognised by ISR analysts (DJSI score in “Codes of conduct”)
Training in ethical conduct in the last 3 years (% employees) ¹

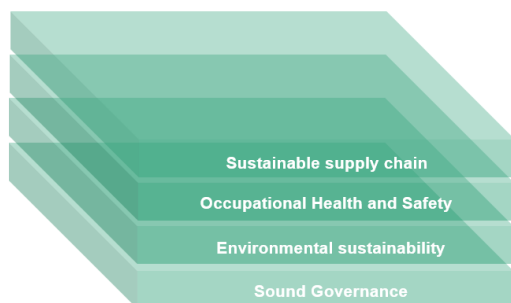
Supervision and annual report to the Audit and Compliance Committee (CAC) of the Criminal Risk Prevention Model
Annual verification of the effectiveness of the Criminal Risk Prevention Model (% verification)
Maintain certificate of criminal compliance (UNE 19601) and anti-bribery (UNE-ISO 37001)
100% of complaints in period 2020-2022 analysed in < 90 days
DJSI score > 95/100 in the period 2020-2022



1: % accumulated on the current workforce

Endesa Sustainability Plan 2020 - 2022

ESG Backbones



Sound Governance (2/2)

2020-2022 Targets

Presence of women on ENDESA's Board of Directors
(% of women)

30% on the Board of Directors in 2020

Evaluation of the Board of Directors with the support of an
independent consultant

1 three-year evaluation

Evaluation of compliance with Human Rights. Supervision
of the process, approval and monitoring of the action plan
by the Audit and Compliance Committee.

Annual implementation and monitoring by the CAC

Recommendations and best practices in Corporate
Governance

NEW

Analysis of the next Code of Good Governance of
Listed Companies to be published by the CNMV in
2020 and actions to be taken



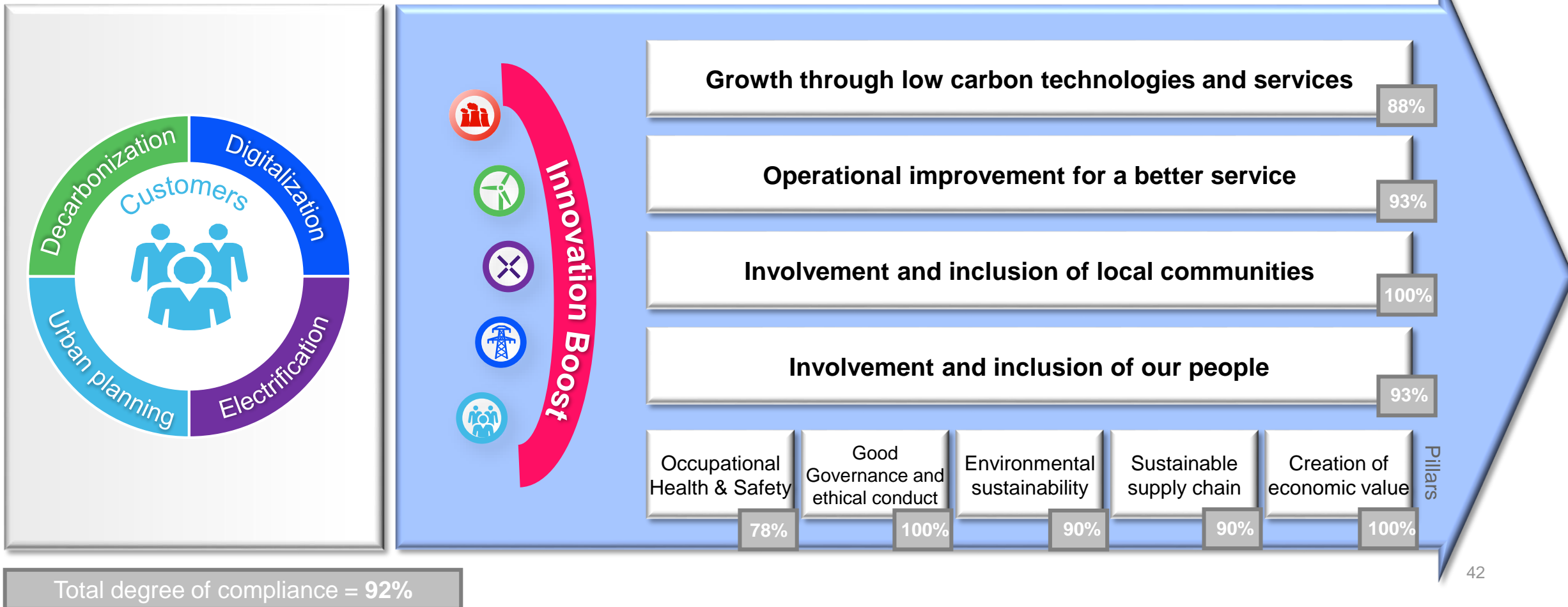
Results 2019

Monitoring of the 2019-2021 Sustainability Plan



Strategic lines and pillars

ENERGY TRANSITION



High ESG performance contributed to attraction and retention of ISR investors



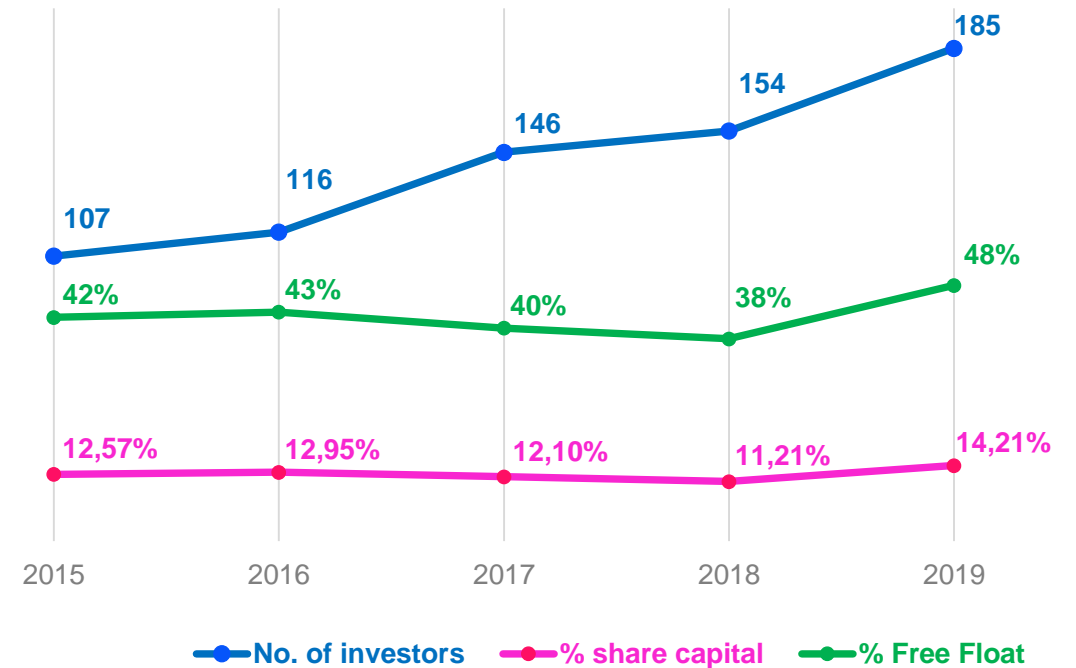
Achievements 2019

It maintains its presence in all the **ESG indexes/rankings** in which it was present the previous year **and also a new inclusion: Bloomberg GEI** (Gender Equality Index)

Present at the DJSI World for the 19th consecutive year and reaching **7th place** in the ranking of the electric utilities sector

High position in FTSE4Good (3rd in the conventional electricity sector) and in **Euronext Vigeo-Eiris** (3rd in the electricity and gas utilities sector)

Attraction and retention of ISR investors



Sustainable finance supports the transition to a low-carbon economy



Sustainable debt 2019 %



New green loans linked to investments in renewable energy: €635 million

Promotion of sustainable development



First EIB green loan, €335 million

March 2019 - 15 years

15 wind farms with a capacity of 446 MW



First ICO green loan, €300 million

May 2019 - 12 years

3 photovoltaic solar plants with a power of 339 MW

Creation of 1,700 jobs during the implementation phase

THANK YOU

endesa

