2021-2023 ENDESA Sustainability Plan

General Context

Macrotrends emerging over the next decade

endesa

DEMOGRAPHICS

GENERATIONAL HANDOVER

POPULATION GROWTH IN ASIA AND AFRICA

ENVIRONMENT

WORSENING CLIMATE IMPACTS

LOCAL POLLUTION, DEGRADATION AND SCARCITY CREATE IMPETUS FOR INNOVATION

ECONOMY

SHORT-TERM CRISIS, LONG-TERM SLOWDOWN

PEAK GLOBALIZATION AND THE RISE OF ASIA

TECHNOLOGY

AUTOMATION IMPACTS

DATAFICATION

POLITICS

POLARIZATION AND RADICALISM ON THE RISE

GEOPOLITICAL INSTABILITY

CULTURE

POST-MATERIALISM: ATTITUDES AND LIFESTYLES DIVERGE
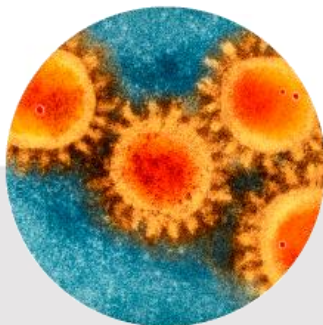
CULTURAL WARS ESCALATE

General Context

Potential "wild card" Disruptions

FINANCIAL CRISIS (COVID-19)

GLOBAL PANDEMIC

MAJOR CONFLICTS

AN "ECONOMIC" SINGULARITY

SOCIETAL "TECHLASH"

POPULAR REVOLTS AND REGIME CHANGE

A CLIMATE "MINSKY" MOMENT

ENERGY TRANSITION TIPPING POINT

BIOTECH BOOM

GLOBAL GREEN (NEW) DEAL

Source: Macrotrends and Disruptions shaping 2020-2030 - WBCSD

Contents

2021-2023 ENDESA Sustainability Plan

SUSTAINABLE DEVELOPMENT GOALS

endesa

Sustainable business model

Materiality analysis

2021-2023 Sustainability Plan
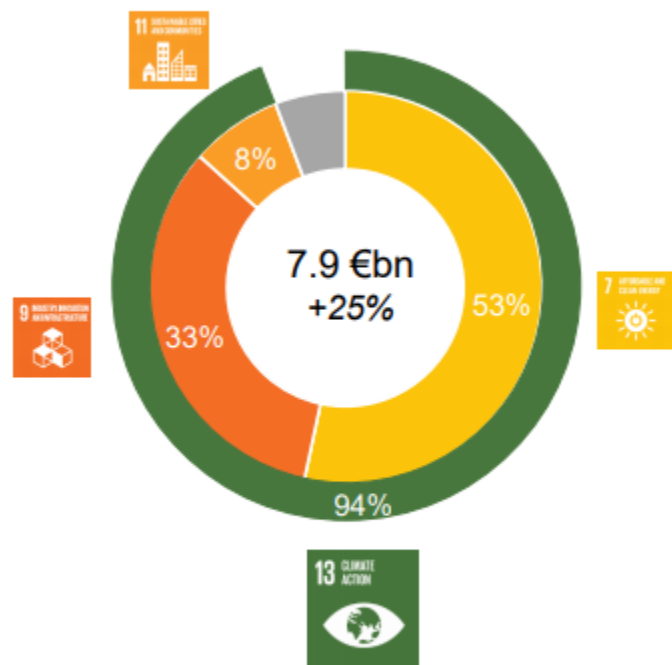
2020 Sustainability Plan Results

Sustainable business model

Sustainable business model

A fully sustainable business model reflected in SDGs impact
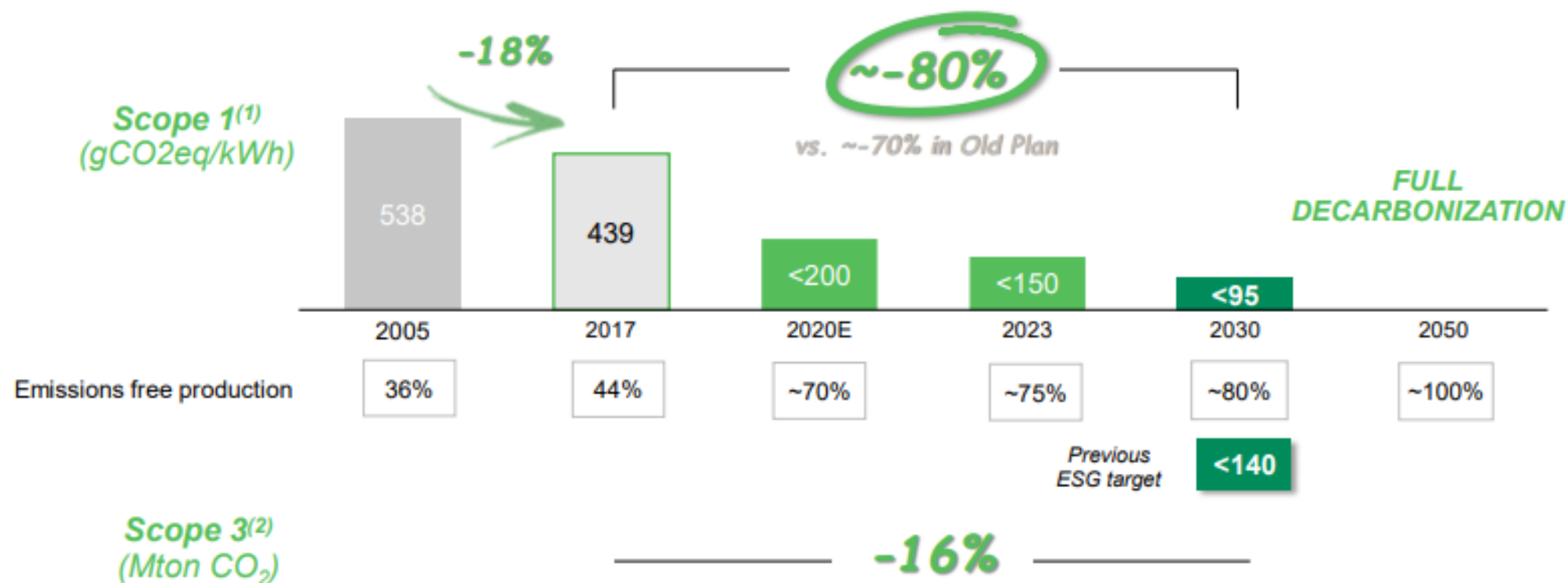
Capital allocation by SDG 2021-23

7.9 €bn
+25%

53%

33%

8%

94%

Circular economy

Circular Inputs	Promotion of circularity in the supply chain
Sharing platforms	Development of ecosystems to electrify civil society
Product as a Service	Boost to electric mobility
Useful life extension	Non mainland decarbonization
New life cycles	Futur-e plans

94% capex allocated to climate actions

Sustainable business model

Progressing towards full decarbonization in 2050

Scope 1[1]
(gCO2eq/kWh)

-18%

~-80%

vs. ~-70% in Old Plan

FULL DECARBONIZATION

2005	2017	2020E	2023	2030	2050
538	439	<200	<150	<95	

Emissions free production

36%	44%	~70%	~75%	~80%	~100%

Previous ESG target <140

Scope 3[2]
(Mton CO$_2$)

-16%

Boosting our GHG reduction target to 80% by 2030

(1) Scope 1, direct emissions
(2) Scope 3, non direct emission (gas sales and others)

Sustainable business model
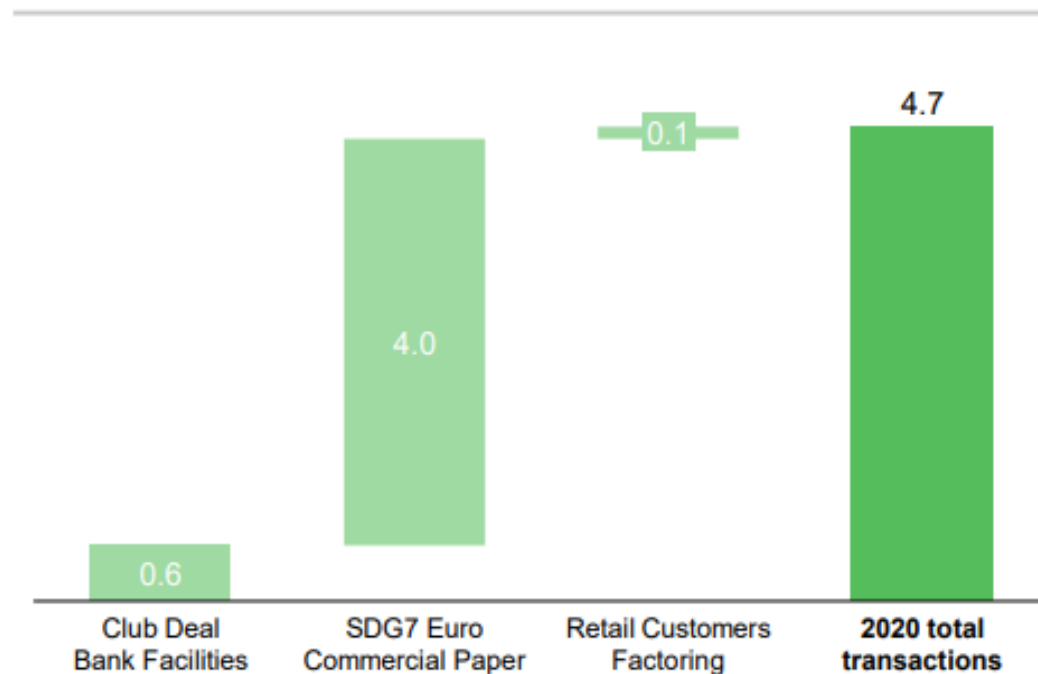
Sustainable finance

Strategic actions

First listed sustainable finance corporate ECP Program in Europe

Growing relevance of sustainability linked instruments

Expanding sustainability approach to other short term and working capital instruments

2020 Sustainability linked transactions, €bn

Club Deal Bank Facilities	SDG7 Euro Commercial Paper	Retail Customers Factoring	**2020 total transactions**
0.6	4.0	0.1	4.7

Strategy alignment and active role in promoting sustainability

Sustainable business model

ENDESA improves in the main sustainability indexes in 2020

LEADERSHIP IN THE MAIN INDEXES

Score	Indices	Comments
87 ⬆	DJSI World	5º position in electric utilities 7º position in DJSI Index Family
75 ⬆	World 120 Europe 120 Eurozone 120	2º position in electric and gas utilities 2º worldwide in position in all sectors
4.9 ⬆	FTSE4Good	2º position in conventional electricity companies
22.4 ⬇	✓STOXX Global ESG Leaders ✓STOXX Global Social Leaders ✓STOXX Global Governance Leaders	Among the best 8% in electric utilities Among the 10th best in profits
AA =	Not included in MSCI ESG Leaders	Endesa has a score of 8.5 and the entry score in the index is 8.6
A ⬆	Climate Water	Only 4 utilities worldwide have achieved double A rating

AA ➔ Rating	⬆ ➔ Score increase vs the previous year	⬇ ➔ Score decrease vs the previous year

PRESENCE IN OTHER THEMATIC INDEXES

ECPI — Sense in sustainability

Bloomberg

ECPI

Bloomberg Gender Equality Index

✓ Global ESG Equity
✓ Global Carbon Liquid
✓ Global Clean Energy
✓ Global Renewable Energy Liquid
✓ Euro ESG Equity

Top 100 Gender Equality

THOMSON REUTERS

S·NETWORK GLOBAL INDEXES

TOP 100 COMPANY 2018

ESG Best Practices Indices

Top 100 Diversity & Inclusion

Materiality analysis

Materiality analysis

Stakeholders analysed

Analysis performed

Trend analysis

1 Review in reference sources of the main business or sustainable circumstances with possible current or future effect on the company's activities (**World Economic Forum, International Energy Agency, World Business Council for Sustainable Development**)

Investor analysis

2 **Online interviews with 5 representatives of different investment groups** (Cygnus, Renta4, Allianz Popular, JP Morgan and Covalis).

Benchmark

3 Review of the assigned relevance and the degree of maturity in the management of the **main competitors:**
- **Iberdrola**
- **Repsol**
- **Naturgy**
- **Acciona**
- **EDP**

Analysis of Media and Social Networks

4 **Analysis of publications about the company in reference media and entities**. Company Reports in digital media, web and social networks.

External survey

5 **Telephone surveys conducted to 459 customers** (299 customers from Endesa Energía and 160 from Endesa X)

Employee survey

6 **Online survey with 239 Endesa employees** (Spain and Portugal)
Online survey with 74 suppliers (Itemization by business line)

External interviews

7 **Online interviews with external stakeholders: 10 representatives from civil society** and **local communities** as well as **8 from the business community.**

Interviews with managers

8 **17** in-depth **interviews** with Endesa CEOs

Review of other studies

9 Review of **studies carried out** for another purpose, but incorporating issues related to the company's sustainability:
- Climate Survey
- Customer Satisfaction Survey
- Reputation Diagnosis 2019 - MERCO

Institutional analysis

10 **Analysis of public information and governmental programs** to know the importance attached to each of the material issues. Review of public information from the CNMC and OMIE.

Sustainability Indexes

11 Analysis of the **most relevant sustainability indexes for the company** and other RSI analysts: MSCI, Vigeo, Sustainalytics, FTSE4GOOD, DJSI.

Materiality analysis

Materiality matrix

endesa

The presented Materiality Matrix structures material matters based on the **expectations of Stakeholders level I** and the **Company's internally strategic vision.**
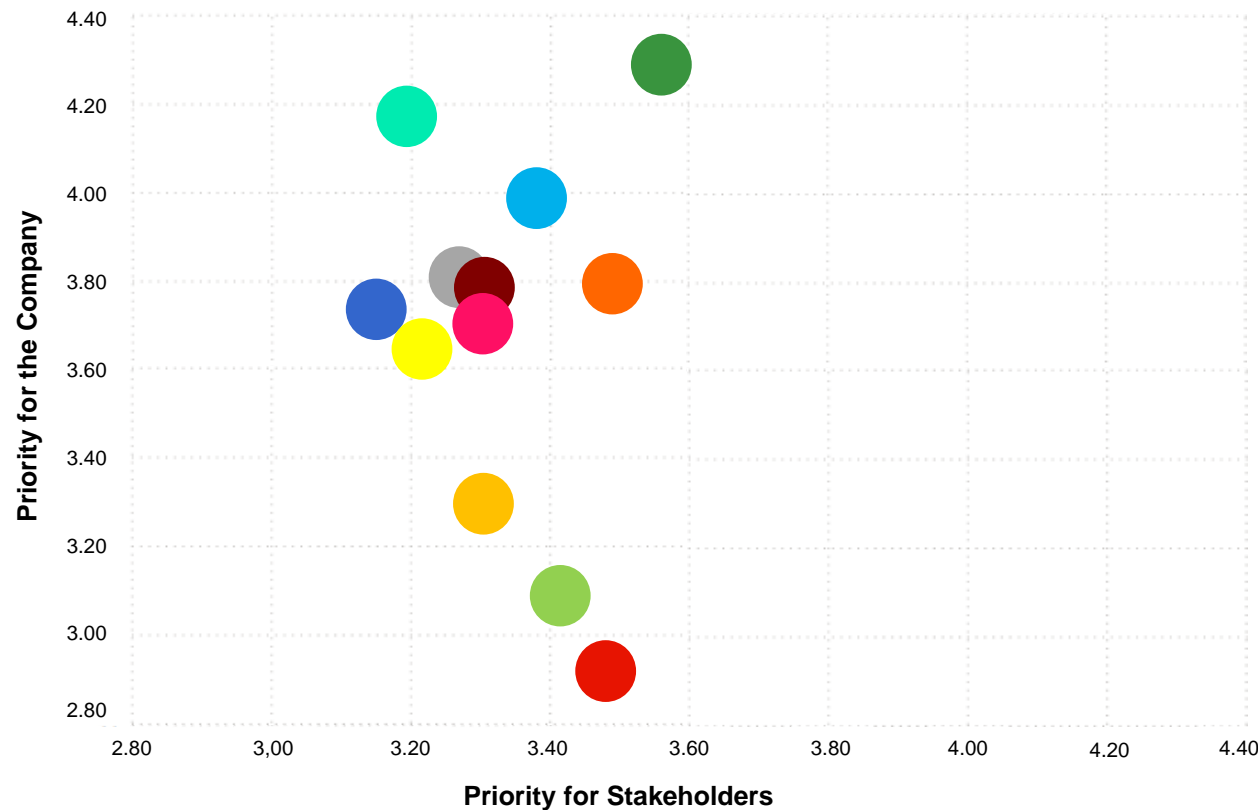

Most relevant issues	Stakeholders Imp.	Company Imp.
● Decarbonization of the energy mix	3.57	4.28
● Economic and financial value creation	3.38	4.00
● Customer engagement	3.19	4.14

Relevant issues	Stakeholders Imp.	Company Imp.
● Occupational health and safety	3.48	3.80
● Innovation and digital trasformation	3.26	3.87
● Energy distribution	3.29	3.80
● Engaging the local communities	3.28	3.70
● Ecosystems and platforms	3.15	3.73
● Sound governance and fair corporate conduct	3.22	3.65
● Employees management, development and motivation	3.29	3.28
● Environmental management	3.44	3.10
● Sustainable supply chain	3.47	2.92

Scale change in the graph axes. Material topics are prioritized from 1 to 5.

Executive resume

Areas of action to guarantee ENDESA's sustainability: Satisfaction matrix
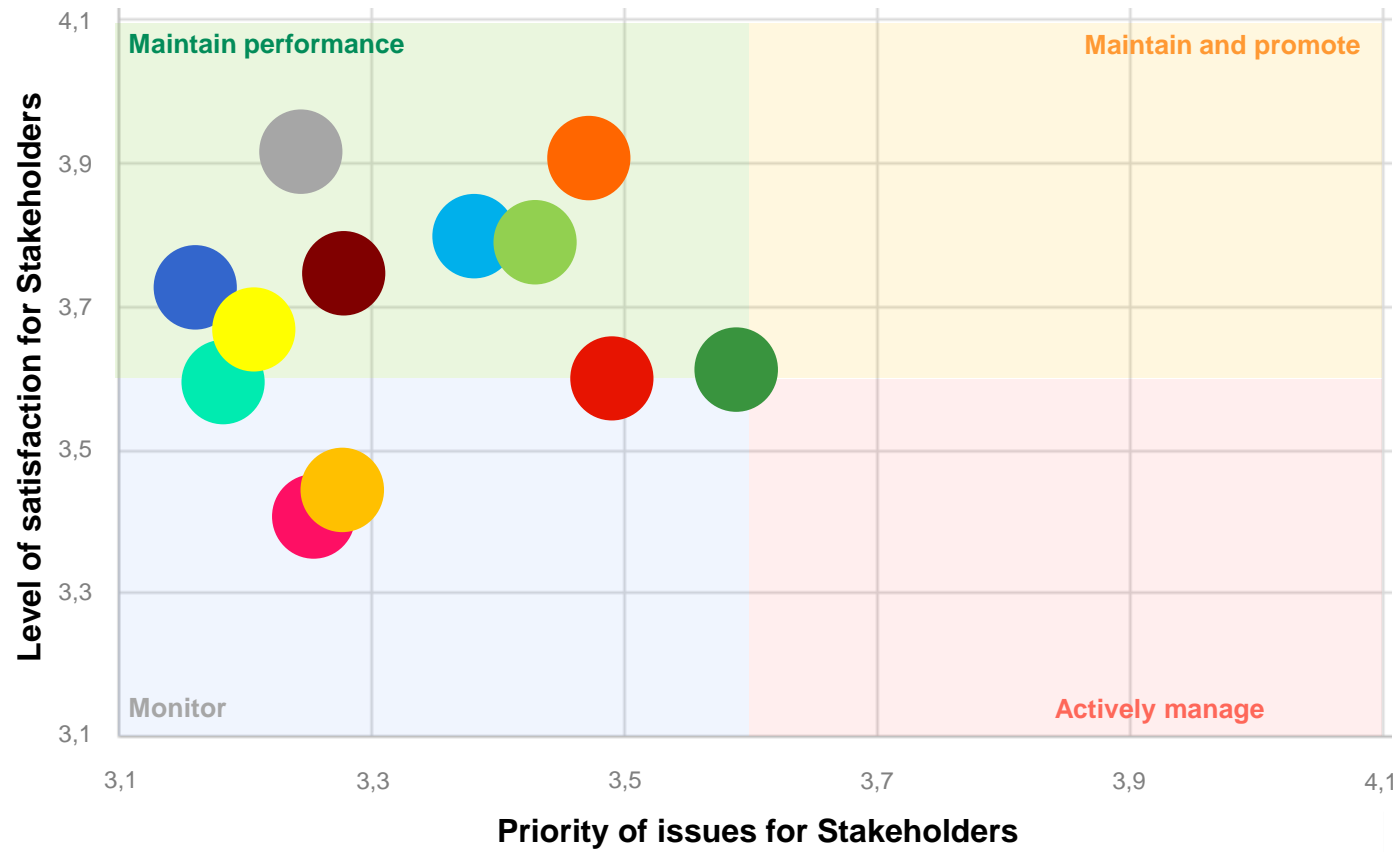
Asuntos prioritarios	Priority	Satisfaction
🟢 Decarbonization of the energy mix	3.57	3.66
🔵 Economic and financial value creation	3.38	3.80
🟢 Customer engagement	3.19	3.61

Asuntos relevantes	Priority	Satisfaction
🟠 Occupational health and safety	3.48	3.92
⚪ Innovation and digital trasformation	3.26	3.91
🔴 Energy distribution	3.29	3.73
🔴 Engaging the local communities	3.28	3.44
🔵 Ecosystems and platforms	3.15	3.71
🟡 Sound governance and fair corporate conduct	3.22	3.69
🟠 Employees management, development and motivation	3.29	3.46
🟢 Environmental management	3.44	3.79
🔴 Sustainable supply chain	3.47	3.62

2021-2023 Sustainability Plan

Estructure Endesa Sust. Plan 2021-2023

Endesa Sustainability Plan

13 CLIMATE ACTION

SUSTAINABLE LONG-TERM VALUE CREATION

7 AFFORDABLE AND CLEAN ENERGY

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

11 SUSTAINABLE CITIES AND COMMUNITIES

THE FUTURE OF GENERATION, ELECTRIFICATION, DIGITAL & PLATFORMS

People we work with

Local and global communities

Sustainable Supply Chain

Occupational Health and Safety

Environmental Sustainability

Sound Governance

ENERGY TRANSITION

PEOPLE CENTRICITY

ESG BACKBONES

Growth accelerators

Innovation, cybersecurity, digitization, circular economy and sustainable finance

15

endesa

2021-2023 PLAN

ENERGY TRANSITION

PEOPLE CENTRICITY

ESH BACKBONES

ENERGY TRANSITION

13 CLIMATE ACTION

SUSTAINABLE LONG-TERM VALUE CREATION

7 AFFORDABLE AND CLEAN ENERGY

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

11 SUSTAINABLE CITIES AND COMMUNITIES

THE FUTURE OF GENERATION, ELECTRIFICATION, DIGITAL & PLATFORMS

27 Targets

1 NO POVERTY | 2 ZERO HUNGER | 3 GOOD HEALTH AND WELL-BEING | 4 QUALITY EDUCATION | 5 GENDER EQUALITY | 6 CLEAN WATER AND SANITATION | 7 AFFORDABLE AND CLEAN ENERGY | 8 DECENT WORK AND ECONOMIC GROWTH | 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE | 10 REDUCED INEQUALITIES | 11 SUSTAINABLE CITIES AND COMMUNITIES | 12 RESPONSIBLE CONSUMPTION AND PRODUCTION | 13 CLIMATE ACTION | 14 LIFE BELOW WATER | 15 LIFE ON LAND | 16 PEACE, JUSTICE AND STRONG INSTITUTIONS | 17 PARTNERSHIPS FOR THE GOALS

Energy transition – The Future of Generation (1/2)

Activity	2021-2023 Targets

Specific GHG emissions of Scope 1 (gCO_2eq/kWh) — UPGRADE

439	<200	<150	<95
2017	2020	2023	2030

CO_2-free production — UPGRADE

% CO_2-free production[1]

44%	~60%	~75%	~80%	100%
2017	2020	2023	2030	2050

Installed renewable capacity[2] — UPGRADE

11,593 MW at the end of the 2021-2023 period

Production from renewable sources[3] (TWh) — UPGRADE

13.9	15.9	21.0
2021	2022	2023

Peninsular renewable capacity vs total peninsular capacity[4] (%) — NEW

54%	58%	62%
2021	2022	2023

	2020	Category	SDG
Specific GHG emissions	183	I E	13 CLIMATE ACTION
CO_2-free production	70%	I E	13 CLIMATE ACTION
Installed renewable capacity	7,825	I E	7 AFFORDABLE AND CLEAN ENERGY
Production from renewable sources	13.4	I E	7 AFFORDABLE AND CLEAN ENERGY
Peninsular renewable capacity	45%	I E	7 AFFORDABLE AND CLEAN ENERGY

1. Estimate considering the total production measured in power plant bars
2. Cumulative gross installed capacity
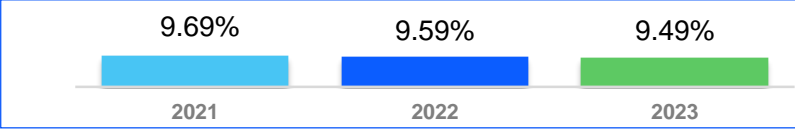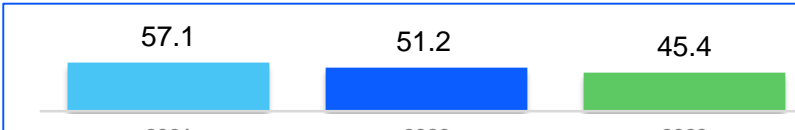3. Net production
4. Net capacity

17

NEW New target   UPGRADE Target increased vs the previous Plan   ⭮ Redefined goal   ⚛ Target affected by COVID-19

I **Industrial**   E **Environmental**   S **Social**
G **Governance**   T **Technological**

endesa

Energy transition – The Future of Generation (2/2)

Activity	2021-2023 Targets	2020	Category	SDG
Decrease in installed fossil thermal capacity[1] (vs 2020)	~3 GW in the 2021-2023 period	11.2	I E	13 CLIMATE ACTION
Digitalization investment in *power generation* assets[2]	34 M€ in the 2021-2023 period	18	I T	9 INDUSTRY INNOVATION AND INFRASTRUCTURE
Storage capacity installation (Capacity increase in MW) **UPGRADE**	277 MW in the 2021-2023 period	0	I E	9 INDUSTRY INNOVATION AND INFRASTRUCTURE / 13 CLIMATE ACTION
Maintain high efficiency in renewable power plants	94,8% in wind power in the 2021-2023 period / 98,8% in hydraulic in the 2021-2023 period	Wind power: 94.2 / Hydraulic: 98.5%	I E T	9 INDUSTRY INNOVATION AND INFRASTRUCTURE / 7 AFFORDABLE AND CLEAN ENERGY / 13 CLIMATE ACTION
ISO 9001 quality certification in thermal and renewable generation assets	Maintain 100% in the 2021-2023 period	100%	I E T	9 INDUSTRY INNOVATION AND INFRASTRUCTURE

1. Gross installed capacity
2. Includes thermal+renewable energy

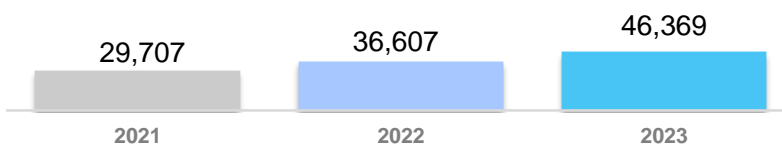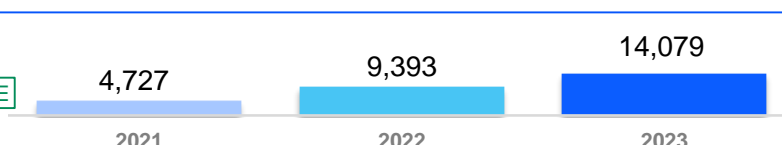| NEW | New target | UPGRADE | Target increased vs the previous Plan | ⟳ Redefined goal | ☣ Target affected by COVID-19 |

I Industrial **E** Environmental **S** Social
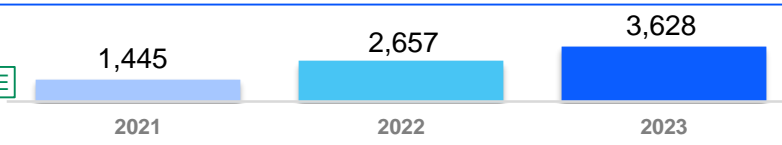**G** Governance **T** Technological

18

Energy transition – Electrification (1/4)

Activity	2021-2023 Targets			2020	Category	SDG
Reduction of electricity losses[1] (% losses measured in substation bar)	9.69% (2021)	9.59% (2022)	9.49% (2023)	9.85%	I E	
Energy recovery	~ 2,900 GWh in the 2021-2023 period			1,205	I E	
Improved supply continuity (TIEPI[2], min)	57.1 (2021)	51.2 (2022)	45.4 (2023)	60.3	I E S	
Deployment of the remote management plan in the Low Voltage network (Millions of installed smart meters)	12.5 (2021)	12.6 (2022)	12.6 (2023)	12.4	I E G T	

1. System Operator Criteria
2. Own + programmed Installed Power Equivalent Interruption Time

NEW New target   UPGRADE Target increased vs the previous Plan   ○ Redefined goal   ✳ Target affected by COVID-19

I Industrial   **E** Environmental   **S** Social
G Governance   **T** Technological

Energy transition – Electrification (2/4)

Activity	2021-2023 Targets
Installation of remote controls in the Medium Voltage network (accumulated)	2021: 29,707 — 2022: 36,607 — 2023: 46,369
Technological update of the High Voltage remote control system (accumulated)	361 in 2021[1]
Number of new producer connections (Accumulated number in the period) **UPGRADE**	2021: 4,727 — 2022: 9,393 — 2023: 14,079
Power of new producer connections (Accumulated MW in the period) **UPGRADE**	2021: 1,445 — 2022: 2,657 — 2023: 3,628

2020	Category	SDG
23,955	I E G T	9 INDUSTRY INNOVATION AND INFRASTRUCTURE / 11 CIUDADES Y COMUNIDADES SOSTENIBLES
336	I E G T	9 INDUSTRY INNOVATION AND INFRASTRUCTURE / 11 SUSTAINABLE CITIES AND COMMUNITIES
1,687	I E	13 CLIMATE ACTION / 9 INDUSTRY INNOVATION AND INFRASTRUCTURE / 7 AFFORDABLE AND CLEAN ENERGY
2,065	I E	13 CLIMATE ACTION / 9 INDUSTRY INNOVATION AND INFRASTRUCTURE / 7 AFFORDABLE AND CLEAN ENERGY

1. The Project ends in 2021.

NEW New target   UPGRADE Target increased vs the previous Plan   ◯ Redefined goal   ✳ Target affected by COVID-19

I **Industrial**   E **Environmental**   S **Social**
G **Governance**   T **Technological**

Energy transition – Electrification (3/4)

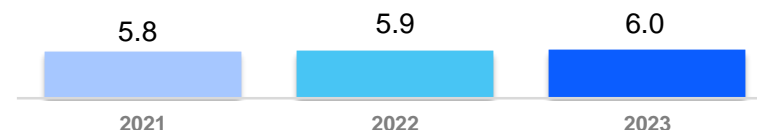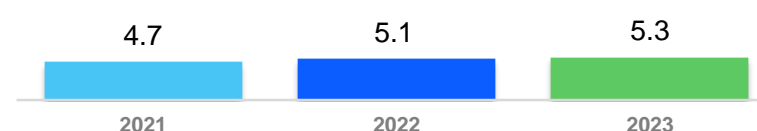| Activity	2021-2023 Targets
Investment in customer digitalization (€M invested)[1]	~ €M 180 in the 2021-2023 period

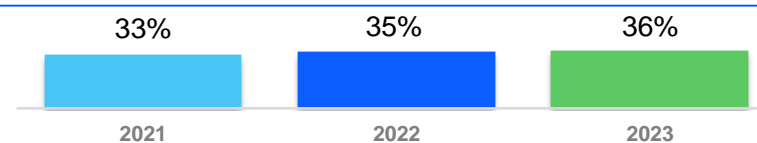**Digital customers (Millions of contracts that have made a contact via digital channel)**

2021	2022	2023
5.8	5.9	6.0

Electronic billing (Millions of contracts)

2021	2022	2023
4.7	5.1	5.3

Electronic billing (% of customers using electronic invoicing) `NEW`

2021	2022	2023
33%	35%	36%

2020	Category	SDG
60.2	I E G T	
5.7	I S T	
4.4	I S T	
29%	I S T	

1. It includes Endesa Energía + Endesa X

`NEW` New target   `UPGRADE` Target increased vs the previous Plan   ◯ Redefined goal   ● Target affected by COVID-19

I Industrial   **E** Environmental   **S** Social
G Governance   **T** Technological

Energy transition – Electrification (4/4)

Activity	2021-2023 Targets
Promotion of the virtual assistant in Attention via CAT[1] (% of interactions attended by the Virtual Assistant) **UPGRADE**	12.0% (2021) 15.0 % (2022) 17.5 % (2023)
Quality: Improved Global Customer Satisfaction	7.45 (2021) 7.45 (2022) 7.50 (2023)
Digital, innovative and inclusive service for customer service (% of dissemination of the Pedius service) **NEW**	100% of dissemination of the Pedius service in the 2021-2023 period
Number of electric vehicles charging points (Public and private use)	56,000 charging points in 2023
Number of e-Bus charging points **NEW**	115 charging points in 2023

2020	Category	SDG
9.10%	I S T	9 INDUSTRY INNOVATION AND INFRASTRUCTURE / 11 SUSTAINABLE CITIES AND COMMUNITIES
7.4	I S T	9 INDUSTRY INNOVATION AND INFRASTRUCTURE / 11 SUSTAINABLE CITIES AND COMMUNITIES
NA	I S T	9 INDUSTRY INNOVATION AND INFRASTRUCTURE / 11 SUSTAINABLE CITIES AND COMMUNITIES / 10 REDUCED INEQUALITIES
NA	I E G T	9 INDUSTRY INNOVATION AND INFRASTRUCTURE / 11 SUSTAINABLE CITIES AND COMMUNITIES
12[2]	I e G T	9 INDUSTRY INNOVATION AND INFRASTRUCTURE / 11 SUSTAINABLE CITIES AND COMMUNITIES

1. CAT = Telephone Attention Channel
2. Estimated closing 2020.

NEW New target **UPGRADE** Target increased vs the previous Plan ⟳ Redefined goal ✳ Target affected by COVID-19

I Industrial **E** Environmental **S** Social
G Governance **T** Technological

endesa

2021-2023 PLAN

ENERHY TRANSITION

PEOPLE CENTRICITY

ESG BACKBONES

PEOPLE CENTRICITY

People we work with

Local and global communities

21 Targets

People centricity – People we work with (1/4)

Activity

Diversity and inclusion

Increase the presence of women in positions of responsibility (% women) [UPGRADE]

Promotion of gender diversity in selection processes (% women)

Promotion of gender diversity in hiring (% women)

Female students involved in initiatives of vocational guidance in STEM area 🦠

2021-2023 Targets

Management positions [1]

2021	2022	2023
20.0%	20.0%	20.5%

Middle Management Positions: CGI + NC0

2021	2022	2023
33.0%	33.3%	33.5%

Middle Management Positions: CGI

2021	2022	2023
28.8%	29.3%	29.8%

[NEW]

2021	2022	2023
50%	50%	50%

2021	2022	2023
38%	39%	39%

> 1,500 women involved in the 2021-2023 period

2020	Category	SDG
19.7%		
32.6%	S	
27.8%		
36%	S	
32%	S	
572	S	

1. Management positions: TOP 200 + managerial level + Local managers

I Industrial **E** Environmental **S** Social
G Governance **T** Technological

People centricity – People we work with (2/4)

Activity

Satisfaction, performance and development

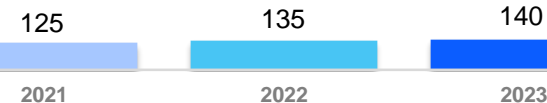| Promote the level of employee involvement and satisfaction – Climate Survey (% employees)[1] |
| --- |

Performance Appraisal (% 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 authorizations

2021-2023 Targets

Scope

100%

Engagement

90% (2021)	90% (2023)

Targets to2023

Scope[2]	Participation	Feedback
100%	99%	95%

125 (2021)	135 (2022)	140 (2023)

100% of trips in the 2021-2023 period

2020	Category	SDG
S: 100% E: 90%	S	
S: 100%[3] P: 99.6%[3] F: 75.7%[3]	S	
120	S	
100%	S	

1. Biennial survey.
2. Eligible and accessible individuals who have worked in the Group for at least 3 months.
3. 2019 performance evaluation carried out in 2020.

| NEW | New target | UPGRADE | Target increased vs the previous Plan | ⟳ Redefined goal | ✷ Target affected by COVID-19 |

I Industrial **E** Environmental **S** Social
G Governance **T** Technological

People centricity – People we work with (3/4)

Activity	2021-2023 Targets	2020	Category	SDG
Disability. Launch of specific campaigns to integrate disability and make possible new cases emerge. (number of specific communications) **[UPGRADE]**	3 campaigns per year in the 2021-2023 period	2	G	10

Training

Activity	2021-2023 Targets	2020	Category	SDG
Promotion of training to employees (hours/employee) **[UPGRADE]**	On-site / Online chart: 2021: On-site 14.0, Online 25.0; 2022: On-site 25.0, Online 25.0; 2023: On-site 26.0, Online 25.0	Online: 30.1 On-site: 12.5	S	4, 8
Promote and plan reskilling and upskilling programs for employees affected by the energy transition (hours of training per year / person)	150 hours in 2021 and 50 hours in the 2021-2023 period	122	S	4, 8
Continuous learning and entrepreneurship - Dissemination of the "teach the teacher" approach (number of courses taught by internal monitor)	75 courses per year in the 2021-2023 period	71	S	4, 5, 8

NEW New target   **UPGRADE** Target increased vs the previous Plan   ⟳ Redefined goal   ✳ Target affected by COVID-19

I Industrial   **E** Environmental   **S** Social
G Governance   **T** Technological

26

People centricity – People we work with (4/4)

Activity	2021-2023 Targets	2020	Category	SDG
Training programs for new hirings (number of hours / employee)	12 hours per employee per year in the 2021-2023 period	NA	S	
Number of employees participating in digital transformation training programs	> 1,300 employees in the 2021-2023 period	4,197	S	

Conciliation

Activity	2021-2023 Targets	2020	Category	SDG
Improvement of work areas in offices (No. employees benefited)	1,965 employees in the 2021-2023 period[1]	701	S	
Promotion of services that favour the reconciliation of employees[2] (No. services)	70 services in 2023	69	S	
Promotion of *smartworking*[3] (No. employees) UPGRADE	5,800 employees in the 2021-2023 period	6,180	S	

1. The project ends in 2022.
2. The data refers to the total number of services offered in all of Endesa's 7 headquarters, such as: financial advice, nutritionist, travel agency, vehicle rental, vehicle repair and cleaning, dry cleaning, restoration, changing room, breastfeeding, etc.
3. Accumulated employees with potential to adhere to smartworking.

NEW New target	UPGRADE Target increased vs the previous Plan	⟳ Redefined goal	Target affected by COVID-19

I Industrial   **E** Environmental   **S** Social
G Governance   **T** Technological

People centricity – Global and local communities

Activity	2021-2023 Targets	2020	Category	SDG
Education (No. beneficiaries)	800,000 beneficiaries (2015-2030 period)[1]	~1.9[1]	S G	
Access to energy (No. beneficiaries)	4,100,000 beneficiaries (2015-2030 period)[1]	~0.7[1]	S G	
Socioeconomic development (No. beneficiaries) [UPGRADE]	1,900,000 beneficiaries (2015-2030 period)[1]	~0.3[1]	S G	
Implementation of projects to create shared value for local communities (No. CSV Plans in management)	>65 (2021) >75 (2022) >85 (2023)	67	S G	

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

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

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

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

1. Accumulated figures since 2015.

NEW New target	UPGRADE Target increased vs the previous Plan	○ Redefined goal	● Target affected by COVID-19

I **Industrial** E **Environmental** S **Social**
G **Governance** T **Technological**

endesa

2021-2023 PLAN

ENERGY TRANSITION

PEOPLE CENTRICITY

ESG BACKBONES

ESG BACKBONES

Sustainable Supply Chain

Occupational Health and Safety

Environmental Sustainability

Sound Governance

46 Targets

ESG Backbones – Sustainable Supply Chain

Activity	2021-2023 Targets	2020	Category	SDG
Verification of human rights aspects in the supplier qualification process (% qualified suppliers)	100% in the 2021-2023 period	100%	S, G	12 RESPONSIBLE CONSUMPTION AND PRODUCTION
Verification of security aspects in the supplier qualification process (% qualified suppliers)	100% in the 2021-2023 period	100%	S, G	12 RESPONSIBLE CONSUMPTION AND PRODUCTION
Verification of environmental aspects in the supplier qualification process (% qualified suppliers)	100% in the 2021-2023 period	100%	E, S, G	12 RESPONSIBLE CONSUMPTION AND PRODUCTION
Evaluation of contractor companies in social, environmental and ethical matters (% of contractor companies evaluated) 🦠	2021: 10% — 2022: 12% — 2023: 15%	8,8%	E, S, G	12 RESPONSIBLE CONSUMPTION AND PRODUCTION
Contracts that include the sustainability K factor (% of the total) UPGRADE	2021: 84% — 2022: 85% — 2023: 86%	83%	I	12 RESPONSIBLE CONSUMPTION AND PRODUCTION
Promotion of the qualification system: Volume of purchases made from qualified suppliers (% of the total) UPGRADE	2021: 91% — 2022: 92% — 2023: 92%	91%	I	12 RESPONSIBLE CONSUMPTION AND PRODUCTION

30

NEW New target   UPGRADE Target increased vs the previous Plan   ⟳ Redefined goal   🦠 Target affected by COVID-19

I Industrial   E Environmental   S Social
G Governance   T Technological

ESG Backbones – Occupational Health and Safety

Activity	2021-2023 Targets	2020	Category	SDG
Reduction of fatal accidents (No. Fatal accidents)	0 in the 2021-2023 period	1	S	SDG 3 GOOD HEALTH AND WELL-BEING
Reduction of the combined accident frequency rate UPGRADE	▼91% 5.19 (2010), 3.01 (2012), 1.64 (2014), 0.75 (2017), 0.68 (2019), 0.56 (2021), 0.45 (2023)	0.36	S	SDG 3 GOOD HEALTH AND WELL-BEING
Promotion of the performance of safety inspections in own and contractor facilities (number of inspections)	70,000 annual inspections in the 2021-2023 period	73,547	S	SDG 3 GOOD HEALTH AND WELL-BEING
Promotion of ECoS (extra checking on site) (No.) ⊗	72 ECoS in the 2021-2023 period (24 annuals)	13	S	SDG 3 GOOD HEALTH AND WELL-BEING
Promotion of medical screenings (No.) ⊗	6,400 medical screenings in the 2021-2023 period	4,400	S	SDG 3 GOOD HEALTH AND WELL-BEING
Security awareness (No. actions) NEW	34 (2021), 36 (2022), 38 (2023)	34	S	SDG 3 GOOD HEALTH AND WELL-BEING

NEW New target UPGRADE Target increased vs the previous Plan ⟳ Redefined goal ⊗ Target affected by COVID-19

I Industrial   E Environmental   S Social
G Governance   T Technological

31

ESG Backbones – Environmental sustainability (1/6)

Activity	2021-2023 Targets

Environmental management

Implementation of environmental management systems certified by ISO 14001 (% of facilities)	100% of generation and distribution facilities in the 2021-2023 period
Reduction of the environmental footprint (% reduction vs 2019)	32% of reduction in 2023
Promotion of environmental ECoS (Extra Checking On Site) (No.)	8 ECoS in the 2021-2023 period

Water

Reduction of water catchment in the electricity generation process (m³ / GWh)	345 — 2021 · 298 — 2022 · 249 — 2023
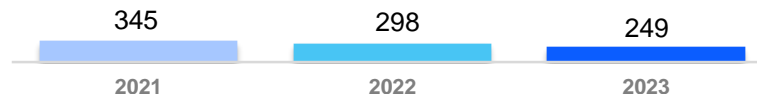
Waste

Promote efficiency in the management of waste generated in the electricity generation process **UPGRADE**	Waste production[1] < 20.000 tonnes in 2023

1.   Hazardous and non-hazardous wastes

2020	Category	SDG
100%	I, E	
6,098	I, E, T	
2	E, S	
90.69	E	
30,958	E	

32

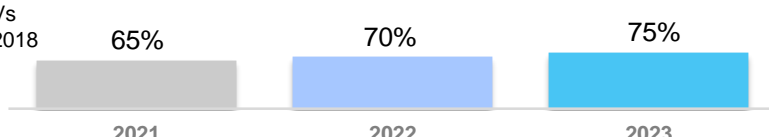NEW New target   UPGRADE Target increased vs the previous Plan   ⟳ Redefined goal   ✹ Target affected by COVID-19

I **Industrial**   E **Environmental**   S **Social**
G **Governance**   T **Technological**

ESG Backbones – Environmental sustainability (2/6)

endesa

Activity	2021-2023 Targets	2020	Category	SDG

Air quality

SO$_2$ Emissions (g/kWh$_{bc}$)	0.28 (2021), 0.22 (2022), 0.21 (2023)	0.17	E	12
NOx Emissions (g/kWh$_{bc}$)	0.87 (2021), 0.84 (2022), 0.76 (2023)	0.77	E	12
Particle Emissions (g/kWh)	0.02 (2021), 0.02 (2022), 0.01 (2023)	0.01	E	12
Mercury Emissions (mg/kWh)	0.00052 (2021), 0.00008 (2022), 0.00007 (2023)	0.0003	E	12

Biodiversity

Implementation of the biodiversity conservation programs (number of actions)	> 20 actions carried out annually in the period 2021-2023	26	E / S	14 / 15

NEW New target   UPGRADE Target increased vs the previous Plan   ⭕ Redefined goal   🦠 Target affected by COVID-19

I Industrial   E Environmental   S Social
G Governance   T Technological

ESG Backbones – Environmental sustainability (3/6)

Activity

2021-2023 Targets

2020	Category	SDG

Building management

Certification in energy, environmental and indoor air quality management in offices	50% of the certified offices surface in 2023	53%	E	
Reduction of energy consumption[1] (% of annual reduction)	0,5% vs previous year in the 2021-2023 period	17.6%	E	
Reduction of water consumption[1] (% of annual reduction)	0,5% vs previous year in the 2021-2023 period	26.6%	E	
Reduction in the generation of waste paper and cardboard[1] (% of reduction)	3% in the 2021-2023 period	0.5%	E	
Reduction of the generation of single-use plastics in offices[1]	Vs 2018 — 2021: 65%, 2022: 70%, 2023: 75%	64%	E	

1. It only includes SIGAEC buildings

NEW New target   UPGRADE Target increased vs the previous Plan   ⟳ Redefined goal   ⊕ Target affected by COVID-19

I Industrial   **E** Environmental   **S** Social
G Governance   **T** Technological

ESG Backbones – Environmental sustainability (4/6)

Activity	2021-2023 Targets

2020	Category	SDG

Reduction of space in all Endesa buildings (m^2 reduced)	10,219 m2 reduced in the 2021-2022[1] period

1,252 — E

Reduction of CO_2 emissions in buildings[2] (% reduction vs 2020)	7% of reduction in 2023

4,719[3] — E

Patrimonial assets

Development of actions with social function on patrimonial assets (No. actions/year)	10 actions in the 2021-2023 period

8 — S

1. The project ends in 2022.
2. The reduction of emissions is determined by the reduction of energy consumption and office space.
3. Data in tons of CO_2 in 2020.

NEW New target   UPGRADE Target increased vs the previous Plan   ⟳ Redefined goal   ✹ Target affected by COVID-19

I Industrial	E Environmental	S Social
G Governance	T Technological	

ESG Backbones – Environmental sustainability (5/6)

Activity	2021-2023 Targets	2020	Category	SDG

Sustainable mobility: fleets and employees

Activity	2021-2023 Targets	2020	Category	SDG
Sustainable fleet management: electrification and optimization ⊕	11% of electric vehicles in the fleet in 2023	9%		
	49% of plug-in hybrid vehicles in the fleet by 2023	26%	E G T	11 13
	16% of hybrid vehicles in the fleet in 2023	9%		
	24% of combustion vehicles in the fleet in2023	56%		
Reduction of CO_2 emissions in the management of Endesa's fleets (% reduction vs 2020)[1]	24% combustion vehicles in the fleet in 2023	18.3%[2]	E T	11 13
Electrification of car park at headquarters (No. parking places) UPGRADE	820 parking places for electric vehicles in 2023[3]	719	E T	11 13

1. Fleet emissions in 2020: 4,136 tons of CO2
2. Reduction vs 2019
3. The data considers the places that have an electric vehicle charging system installed

| NEW New target | UPGRADE Target increased vs the previous Plan | ○ Redefined goal | ⊕ Target affected by COVID-19 |

I Industrial **E** Environmental **S** Social
G Governance **T** Technological

36

ESG Backbones – Environmental sustainability (6/6)
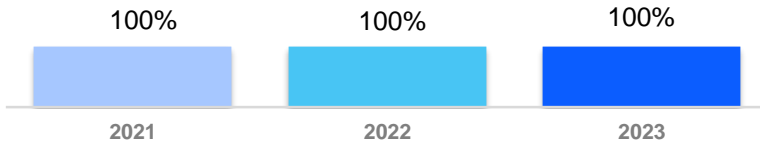
Activity	2021-2023 Targets
Responsible management of taxi use	40% employees in shared taxi in 2023[1]
	74% km travelled in ecotaxis in2023[2]
Promotion of the e-carsharing service (km travelled)	70,000 km in the 2021-2023 period
E-bike service (km travelled)	30,000 in the 2021-2023 period
Electric Scooter Service (km travelled)	7,000 km in the 2021-2023 period
Public transport card (No. employees)	> 900 employees in 2023

2020	Categoría	ODS
38%	A S T	
72%		
5,645	A S T	
4.095	A S T	
989	A S T	
831	A S	

1. % of the total number of employees who use the taxi for their business trips.
2. Ecotaxis use any of the following technologies: hybrid, electric, LPG or CNG

NEW New target   UPGRADE Target increased vs the previous Plan   ⟳ Redefined goal   ✳ Target affected by COVID-19

I Industrial   E Environmental   S Social
G Governance   T Technological

ESG Backbones – Sound governance (1/2)

endesa

Activity	2021-2023 Targets	2020	Category	SDG
Promotion of sound governance practices	Supervision and annual report to the CAC of the Anti-Bribery and Criminal Risk Prevention Model	Accomplished	G	16 PEACE, JUSTICE AND STRONG INSTITUTIONS
Promotion of the prevention of criminal risks	Maintain certifications of criminal compliance (UNE 19601) and anti-bribery (UNE-ISO 37001)	Accomplished	G	16 PEACE, JUSTICE AND STRONG INSTITUTIONS
Analysis of complaints through the ethical channel	Analysed in <90 days 100% of the complaints in the 2021-2023 period	100%	G S	16 PEACE, JUSTICE AND STRONG INSTITUTIONS
Maintain a high level of excellence in ethical conduct and be recognized by ISR analysts (DJSI score in "Codes of conduct")	Score> 95/100 on DJSI Index in the 2021-2023 period	96	G	16 PEACE, JUSTICE AND STRONG INSTITUTIONS
Training in ethical conduct in the last 3 years (% employees)[1]	2021: 100% 2022: 100% 2023: 100%	100%	G	4 QUALITY EDUCATION / 16 PEACE, JUSTICE AND STRONG INSTITUTIONS

1. % accumulated on the current workforce.

NEW New target   UPGRADE Target increased vs the previous Plan   ◯ Redefined goal   ⬤ Target affected by COVID-19

38

I Industrial   E Environmental   S Social
G Governance   T Technological

ESG Backbones – Sound governance (2/2)

Activity	2021-2023 Targets	2020	Category	SDG
Presence of women on ENDESA's Board of Directors (% of women) **UPGRADE**	40% on the Board of Directors in 2022	31%	S G	5 GENDER EQUALITY
Evaluation of the Board of Directors with the support of an independent consultant	1 triennial evaluation	NA	G	16 PEACE, JUSTICE AND STRONG INSTITUTIONS
Evaluation of compliance of Human Rights. Supervision of the process, approval and monitoring of the action plan. ⭕	Annual performance and monitoring by the Sustainability and Corporate Governance Committee	Accomplished	G	16 PEACE, JUSTICE AND STRONG INSTITUTIONS

NEW New target   UPGRADE Target increased vs the previous Plan   ⭕ Redefined goal   Target affected by COVID-19

I Industrial   E Environmental   S Social
G Governance   T Technological

17 Targets

Innovation, cybersecurity, digitization, circular economy and sustainable finance
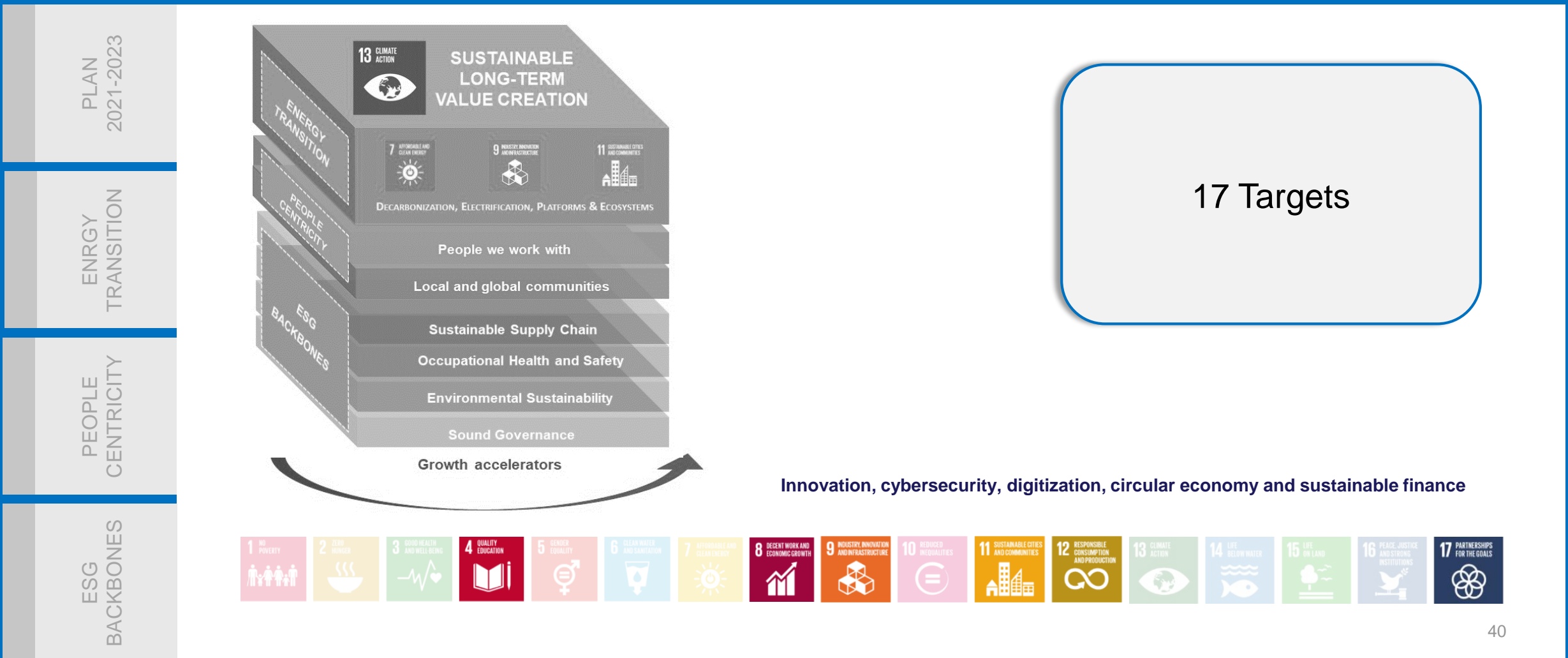
Growth accelerators (1/4)

Activity	2021-2023 Targets		2020	Category	SDG
Innovation					
Number of collaborations launched with Startups for the development of Endesa products and services and the improvement of internal processes ⟳	14 projects with Startups in the 2021-2023 period		13	I G T S	
Promotion of the culture of innovation	4 annual innovation events in the 2021-2023 period		9	I G T S	
	3 events presented at the pitch day *Make it happen!* Per year in the 2021-2023 period	NEW	NA		
Promotion of open innovation	3 Launch of challenges and 8 innovation projects per year in the 2021-2023 period		14 Challenges 13 Projects	I G T S	
Digitalization					
Investment in the digitalization of assets, the client and our people (€ M invested)	~ 1.500 M€ in the 2021-2023 period		314,35	I T S	

NEW New target   UPGRADE Target increased vs the previous Plan   ⟳ Redefined goal   ⚙ Target affected by COVID-19

I	**Industrial**	E	**Environmental**	S	**Social**
G	**Governance**	T	**Technological**		

41

Growth accelerators (2/4)

Activity		2021-2023 Targets	2020	Category	SDG
Cybersecurity					
Promotion of cybersecurity awareness among employees and family members (number of actions)		15 events per year in the 2021-2023 period	16	T	
Execution of cyber exercises involving industrial plant/sites[1] (No. accumulated cyber exercises)	NEW	36 cyber exercises in the 2021-2023 period	21	T S	
TIC security verification (no. Actions / year)	UPGRADE	800 annual verifications in the 2021-2023 period	1,139	T	

1. Training services, carried out by mixed Cyber and business personnel, are mandatory and necessary to educate internal stakeholders in the correct use of the Enel CERT in terms of commitment, communication, confidentiality of communication and cyber incident - services response (detection, analysis, response, recovery)

NEW New target	UPGRADE Target increased vs the previous Plan	⟳ Redefined goal	Target affected by COVID-19

I Industrial   **E** Environmental   **S** Social
G Governance   **T** Technological

Growth accelerators (3/4)

endesa

Activity	Targets 2021-2023	2020	Category	SDG

Circular economy

Activity	Targets 2021-2023	2020	Category	SDG
Promote a cultural change that supports development of the Circular Economy	Inclusion of a Circular Economy course in Endesa's training portfolio in 2021	NA		
	Creation of the Circular Economy Academy in 2021 **NEW**	NA	I E S G	4 QUALITY EDUCATION / 12 RESPONSIBLE CONSUMPTION AND PRODUCTION
	6 informative sessions per year for employees in the 2022-2023 period	11		
Second life search for thermal power plant assets that cease to operate	4 power plants in 2021 and 2 power plants in 2022	2	I E S G	8 DECENT WORK AND ECONOMIC GROWTH / 12 RESPONSIBLE CONSUMPTION AND PRODUCTION
Application of circularity criteria in the awarding of tenders **UPGRADE**	10 criteria of circularity in the period 2021-2023	1	I E S G	12 RESPONSIBLE CONSUMPTION AND PRODUCTION

NEW New target **UPGRADE** Target increased vs the previous Plan ⭕ Redefined goal 🦠 Target affected by COVID-19

I Industrial **E** Environmental **S** Social
G Governance **T** Technological

Growth accelerators (4/4)

Activity	Targets 2021-2023	2020	Category	SDG

Circular economy

Proposal for Circular Economy solutions. Identification and feasibility analysis, in collaboration with the different business areas, of Circular Economy solutions and new business models focused on key technologies. (number of proposed solutions) `NEW`

2021	2022	2023
3	4	6

NA — I E G — SDG 12, SDG 17

Alliances with companies `NEW`

Strengthening alliances with leading companies in the Circular Economy from different sectors, from the design of the alliance with 6 companies in 2021 to the incorporation of companies to the alliance in 2023

NA — I E S G — SDG 12, SDG 17

Exchange of best practices and knowledge with external actors through participation in working groups (number of participations / year) `NEW`

2021	2022	2023
2	3	4

NA — I E S G — SDG 12, SDG 17

No. of Futur-e projects

5 projects per year in the 2021-2023 period

5 — I E S G — SDG 12

`NEW` New target   `UPGRADE` Target increased vs the previous Plan   ⟳ Redefined goal   ⬤ Target affected by COVID-19
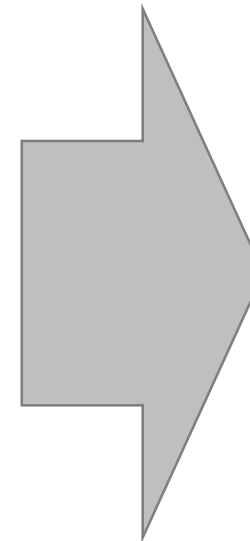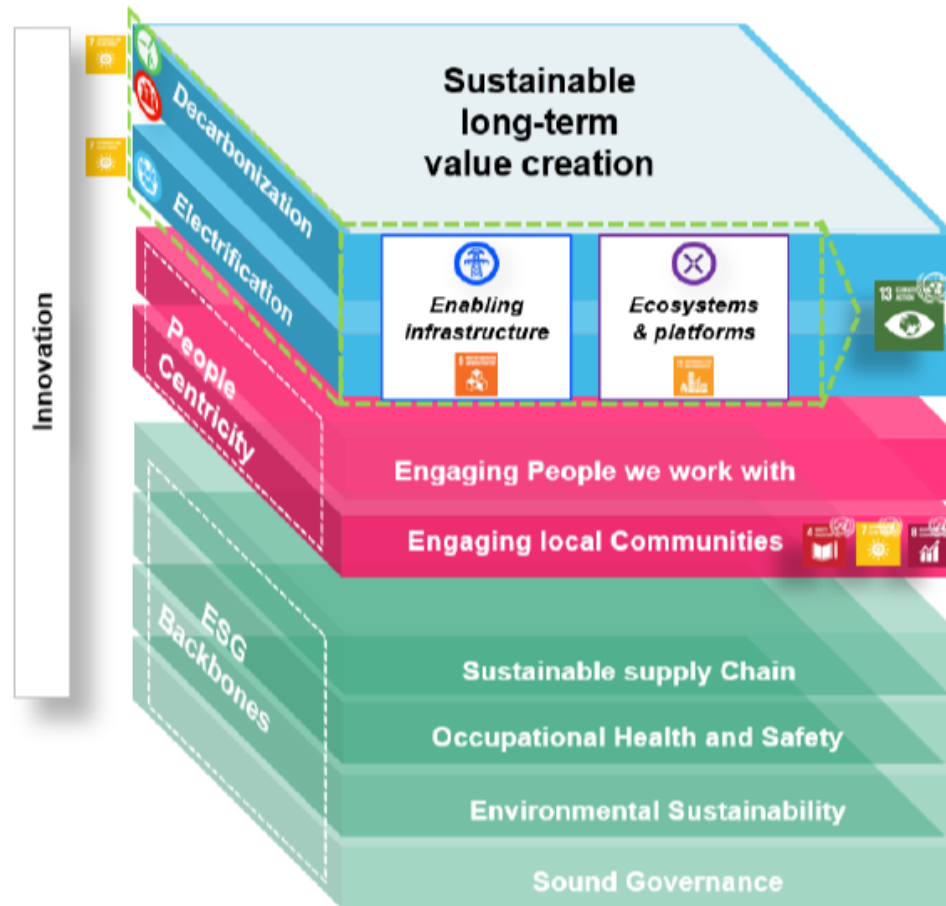
I Industrial   **E** Environmental   **S** Social
G Governance   **T** Technological

2020 Sustainability Plan Results

Monitoring of the 2020-2022 Sustainability Plan

Strategic lines and backbones

DECARBONIZATION	93%
ELECTRIFICATION	100%
ENGAGING PEOPLE WE WORK WITH	91%
ENGAGING LOCAL COMMUNITIES	94%
SUSTAINABLE SUPPLY CHAIN	94%
OCCUPATIONAL HEALTH AND SAFETY	65%
ENVIRONMENTAL SUSTAINABILITY	83%
SOUND GOVERNANCE	100%
INNOVATION	100%
CYBERSECURITY	100%

Total compliance = 91%