



**CRIMINAL COMPLIANCE AND ANTI-BRIBERY
POLICY**

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1. INTRODUCTION TO THE CRIMINAL COMPLIANCE SYSTEM

ENDESA, S.A. ("**Endesa**") is the parent company of a group of companies operating primarily in Spain and Portugal in the electricity business, with a growing presence in the gas sector, and which provides other related services (Endesa and its subsidiaries are collectively referred to as the "**Endesa Group**"). Its corporate objective is the responsible and efficient provision of high-quality services to its clients, providing returns to its shareholders, promoting professional development of its employees, fostering development of the social environments where it operates and using natural resources that are required for its activities in a sustainable manner.

Endesa is aware that the balanced fulfillment of its corporate responsibilities should also include constantly striving for excellence as regards the highest business ethics in all decision-making processes, which must develop into a corporate environment that strictly adheres to the most-advanced national and international standards, practices and principles applicable in the relevant matters, as a basic pillar of the operation of the company.

In particular as relates to the prevention of criminal conduct, it should be noted that Organic Law 5/2010, amending Organic Law 10/1995 of 23 November on the Criminal Code, not only laid out the crimes with which legal persons could be charged, but also laid out the requirement to establish surveillance and control measures for the prevention and detection of crimes. This legal regime was amended by Organic Law 1/2015 of 30 March, establishing the requirement to maintain management and control systems that make it possible for legal persons to evidence their diligence as relates to criminal prevention and detection.

In line with these legal requirements Endesa has implemented several internal regulatory instruments that fulfill its requirement to maintain appropriate management and control systems for the detection and prevention of criminal conduct and, in particular, regarding any potential bribery offenses.

This system includes the following rules applicable to the Endesa Group:

1.1. Criminal Risk Prevention Model: document that gives the Endesa Group a control system to prevent crimes from being committed within the company, thereby complying with the provisions of applicable law on criminal liability of legal persons.

1.2. Protocols in the event of Actions taken by the Authorities in accordance with Art. 31 Bis of the Criminal Code: protocols specifying the procedures to be followed to ensure the proper response to any potential criminal liability of any company of the Endesa Group.

1.3. Company Code of Ethics: document that lays out the ethical commitments and duties assumed in the management of business and business activities by collaborators of the Endesa Group, including the directors and employees, of any kind, of said companies.

1.4. *Zero Tolerance Plan Against Corruption*: document evidencing the Endesa Group's firm commitment to fighting corruption and that was developed as a result of its adherence to the United Nations Global Compact.

1.5. *Corporate Integrity Protocols*: comprised of the following documents:

1.5.1. *The action protocol for conflicts of interest, exclusive dedication and market competition.*

1.5.2. *The protocol on accepting and offering gifts, hospitality and entertainment.*

1.5.3. *The action protocol for relations with civil servants and government authorities.*

This "Criminal Compliance and Anti-Bribery Policy" has been added to the above internal regulatory instruments and together therewith shall constitute the "*Criminal Compliance and Anti-Bribery Management System*" of the Endesa Group (hereinafter, the "**Criminal Compliance System**"), which shall be considered an integrated body of provisions that not only fulfill applicable legal requirements under Spanish law, but which are sufficient to meet the reasonable expectations placed on companies operating in advanced markets with the highest levels of commitment, such as the Endesa Group.

2. SCOPE AND DEFINITIONS

2.1. The Criminal Compliance System applies to Endesa and all companies directly or indirectly controlled thereby, for which purpose "control" shall be deemed to exist over each company when so specified in the applicable regulations.

In the case of companies not controlled by Endesa, its representatives on the Governing Bodies shall, to the extent possible, promote the implementation of a criminal compliance system consistent with that of the Endesa Group.

2.2. The Criminal Compliance System applies to the Endesa Group Organization as a whole, including but not limited to the members of the Governing Bodies, Senior Management, Employees and, as applicable, to any other Interested Party.

2.3. Capitalized terms not expressly defined herein shall have the meanings set forth in Spanish Regulation UNE 19601, on "Criminal Compliance Management Systems."

3. GENERAL PRINCIPLES OF THE CRIMINAL COMPLIANCE SYSTEM

The Endesa Group's "Criminal Compliance System" as well as the content and implementation of its internal corporate governance rules and the operation of its Organization are based on the following general principles:

- (1) Endesa and its Organization, and in particular its Governing Bodies and Senior Management, shall comply and ensure others comply at all times with the provisions of the legislation in force and with the provisions of its "Criminal Compliance System," with the primary objective of attempting to prevent, detect, avoid and properly respond to any action which may constitute a criminal offense in accordance with applicable criminal provisions in force from time to time ("**Criminal Offenses**").
- (2) The prevention, detection and proper response to Criminal Offenses in line with its general policies are key aims of Endesa. With this aim in mind, proper mechanisms are established within its Organization to fulfill such aims through regulatory implementation of the general principles of this "Criminal Compliance and Anti-Bribery Policy" and sufficient criminal risk management procedures are also implemented, in particular as relates to anti-bribery, thus minimizing the Organization's risk exposure.
- (3) Endesa shall encourage the application of preventive actions; properly identify those activities in relation to which Criminal Offenses may be committed; and encourage responsible, proactive behavior of the members of its Organization, all in line with leading modern international principles on regulatory compliance.
- (4) Endesa is committed to making all the members of its Organization aware of their duty to report, in good faith, any events and/or conduct reasonably suspect of constituting a Criminal Offense, establishing all channels, mechanisms and means necessary for the reporting, immediate and unbiased investigation and potential sanction thereof at the relevant level within its Organization, in all cases ensuring the indemnity and anonymity of the informant that reported such events and/or conduct in good faith.
- (5) Endesa shall also provide all members of its Organization with due information on the consequences of violating the Criminal Compliance System as well as, as the case may be, on the relevant disciplinary sanctions applicable to offenders and which will be applied by the Human Resources and Organization Manager in accordance with applicable labor regulations, and in all cases ensuring the rights of the persons under investigation.
- (6) For the above-mentioned purposes, an updated and current version of the Criminal Compliance System shall be duly publicized and made available to the members of its Organization, as well as to any other Interested Parties who may present a criminal risk. This information will primarily be made available through Endesa's intranet.
- (7) Endesa shall establish an appropriate framework for the definition, supervision, monitoring and fulfillment of the objectives of the Criminal Compliance System, in particular, providing the necessary material and human resources to the regulatory compliance unit, notwithstanding the immediate responsibility of each unit or department of the Organization and the supervisory duties of the Directorate General of Auditing.

- (8) The Audit and Compliance Committee, with the assistance of the Supervisory Committee, as a collective body entrusted with autonomous initiative and control powers and which is independent in the performance of its duties and whose competencies and principles of operation are laid out in its regulations, shall be responsible for proper application of the Criminal Compliance System. The Supervisory Committee reports solely and exclusively to the Audit and Compliance Committee, as the committee specifically granted the duty to, *inter alia*, prevent criminal offenses in accordance with its operating regulations.
- (9) The Criminal Compliance System shall be reviewed and improved on a regular and continuous basis by the Supervisory Committee, who shall regularly report to the Senior Management and Governing Bodies on, *inter alia*, any issue related to criminal risks faced by the Organization; changes to the applicable criminal compliance obligations, including the effect of such changes on the Organization; assessment of the performance of criminal compliance measures; and the outcome of the assessment thereof.
- (10) Endesa is aware that certain Criminal Offenses considered acts of "bribery" raise serious moral, economic and political concerns; undermine good governance; impede development; destroy confidence in institutions; and interfere with the proper and efficient functioning of the markets. Bearing this in mind, the Criminal Compliance System pays special attention to the prevention, detection and proper response to such strictly prohibited behaviors, conveying the importance of involvement of the Organization as a whole in the fight against all forms of "bribery."

4. ACTIONS UNDER THE CRIMINAL COMPLIANCE SYSTEM

The primary actions to be carried out by Endesa on a permanent basis with a view to effective implementation of the Criminal Compliance System include but are not limited to the following:

4.1. Risk assessment and control activities. Identification by the Supervisory Committee, in coordination with those individuals responsible for the processes within the Organization, of activities in relation to which Criminal Offenses may be committed.

The control activities to be performed include protocols and procedures on the processes for debate and discussion, decision-making and implementation of decisions by the members of the Organization, and which are implemented, supervised and documented by the individuals responsible for the operating processes.

The scenarios for the risks identified and the control activities are laid out in a matrix of processes, risks and controls, which also identifies the responsible party from within the Organization for the proper description and implementation of the controls. The Directorate General of Auditing is responsible for supervising the application and effectiveness of the matrix.

4.2. Monitoring activities. The Criminal Compliance System will be continually monitored to ensure the design and functioning thereof comply at all times with the provisions of applicable law. The Audit and Compliance Committee, with the support of the Supervisory Committee, is responsible for monitoring the proper functioning of the system.

In the performance of this activity, the Audit and Compliance Committee shall be supported by the Supervisory Committee, who shall be responsible for performing, *inter alia*, the following activities:

(a) Assessment of the Criminal Compliance System. The Supervisory Committee shall regularly reassess the design and functioning of the control activities provided for in the Criminal Compliance System, with support from the Directorate General of Auditing.

(b) Action plans for deficiencies. For each identified deficiency in the Criminal Compliance System, an appropriate action plan will be designed and implemented to mitigate the risk associated with the insufficient control. This action plan will be designed by the individual responsible for the process, with the assistance of the Directorate General of Auditing, who shall also work to ensure proper implementation of the action plan.

(c) Response to violations. In the event of any violation of the Criminal Compliance System or if a Criminal Offense is detected, the Supervisory Committee shall be required to coordinate the necessary investigations in collaboration and consultation with the Legal Department and the Directorate General of Auditing.

If any actions are initiated which could give rise to criminal liability for any company of the Endesa Group, the company shall proceed in accordance with the terms of the "Protocols in the event of Actions taken by the Authorities in accordance with Art. 31 Bis of the Criminal Code."

(d) Reporting and communication. The Supervisory Committee is responsible for promoting such initiatives as required to ensure proper dissemination and training of staff on ethics and criminal risk prevention, thus ensuring that all members of the Organization are able to properly fulfill their obligations in this regard.