

Zero Tolerance Plan Against Corruption

(Plan TCC)

Contents

1. General principles
2. Plan TCC: commitments
 - 2.1 Bribery
 - 2.2 Donations to political parties
 - 2.3 Donations to charity organisations and sponsorships
 - 2.4 Preferential treatment
 - 2.5 Gifts, accommodation and expenses
3. Plan TCC: application
 - 3.1 Organisation and responsibilities
 - 3.2 Relations with third parties
 - 3.2.1 Subsidiaries, affiliates and investees
 - 3.2.2 Agents, consultants and intermediaries
 - 3.2.3 Sale and procurement procedures
 - 3.3 Human resources
 - 3.4 Training
 - 3.5 Reports and feedback
 - 3.6 Communication
 - 3.7 Control activities
 - 3.7.1 Internal control system
 - 3.7.2 Audit
 - 3.7.3 Sustainability Report
 - 3.8 Follow up and review

1. General principles

Endesa is committed to the provisions of its Code of Ethics and the undertakings acquired through its adherence to the Global Compact¹. Accordingly, the company requires its employees to be honest, transparent and fair in the performance of their work. The same commitments are expected of its other stakeholders, i.e. people, groups and institutions that help the group meet its objectives or that are involved in the activities it performs in order to achieve its goals.

In compliance with Principle 10 of the Global Compact, "Businesses should work against corruption in all its forms, including extortion and bribery"², Endesa plans to advance in its commitment to fighting against corruption by applying the transparency guidelines recommended by Transparency International.

This commitment, included in the Code of Ethics, is reflected in the following general principles:

ENDESA REJECTS ALL FORMS OF CORRUPTION, BOTH DIRECT AND INDIRECT.

ENDESA HAS AN ANTI-CORRUPTION PROGRAMME IN PLACE: "THE ZERO TOLERANCE PLAN AGAINST CORRUPTION" (PLAN TCC).

¹ Programme of action devised by the United Nations in July 2000 on the direct recommendation of its Secretary-General in order to develop a new style of collaboration between the business world and the United Nations by encouraging businesses to adhere to 10 universal principles in the areas of human rights, labour and the environment (www.unglobalpact.org).

² www.pactomundial.org

2. Plan TCC: commitments

Based on an analysis of those activities most exposed to corruption risk and in adherence to the provisions of its Code of Ethics, Endesa upholds the following commitments in the performance of its activities:

2.1 Bribery

Endesa prohibits the use of any manner of illicit payments, in cash or in kind¹, aimed at gaining an advantage in its relations with stakeholders. The term “advantage” is understood to include preferential treatment or the guaranteed obtaining of services. Evidently, this also extends to employees whom, by virtue of their position or role in the company, may seek to accept and/or offer bribes for their own benefit or that of their families, associates or acquaintances.

In the event that bribes of any description are promised, offered or invited, Endesa employees must inform their direct superior and the Audit Department using the approved channel for submitting this type of report.

2.2 Donations to political parties

Endesa refrains from exercising any kind of direct or indirect unlawful pressure on politicians and does not finance political parties, or their representatives or candidates, either in Spain or abroad. Neither does it sponsor any event whose sole purpose is political propaganda.

Potential situations warranting critical observation of the above criteria must, subject to compliance with prevailing law, be first approved by the Audit Committee of Endesa, S.A.

¹ Any act that implies a material, moral, financial or non-financial advantage for a person, deemed generally to be significant.

2.3 Donations to charity organisations and sponsorships

Endesa S.A., along with other Group companies, has set up the Endesa Foundation to intervene in certain non-profit fields with the goal of thereby guaranteeing mutual benefits for the implicated parties, respecting the role and ethics of all sides. As a result, the Endesa Group does not entertain other requests for aid in this area other than in the exceptional cases provided for in the prevailing, applicable business rules.

By means of sponsorships and specific agreements, Endesa supports initiatives encompassing quality-assured and guaranteed original and effective social, environmental, sporting, stage, arts, scientific and technology learning events of national interest or that meet specific territorial needs (where Endesa plans to undertake initiatives in regions of industrial interest) that engage the citizens, institutions and associations with which Endesa collaborates.

When it comes to selecting which projects to support, Endesa pays close attention to possible conflicts of interest of a personal or corporate nature (e.g., blood ties with interested parties or ties to entities that could, on account of their activities, favour Endesa's business in any way). Financial support and sponsorships of this calibre are regulated by a specific protocol to ensure consistency.

2.4 Preferential treatment

Endesa does not authorise direct or indirect transfer, offering or acceptance of payments or benefits of any amount whatsoever to expedite services rendered by counterparties.

If preferential treatment of any description is promised, offered or invited, Endesa employees must inform their direct superior and the Audit Department using the approved channel for submitting this type of report.

2.5 Gifts, presents and favours

It is forbidden to extend any form of gift that may be interpreted as a gesture that exceeds standard business practice or common courtesy or is in any way designed to bring about preferential treatment in the pursuit of any activity that may be linked to Endesa. More specifically, it is forbidden to extend gifts to Spanish or foreign civil servants, auditors, directors of Endesa S.A. or its subsidiaries or any of their relatives that may influence the independence of their judgement or induce them to guarantee any manner of favour.

This rule may not even be overruled in countries in which gift-giving to business partners is common practice and applies to presents promised or offered as well as to those already received. Note that gifts are deemed to encompass any manner of favour (free participation in seminars, promises of a job offer, etc.). In any event, Endesa refrains from all practices disallowed under applicable legislation or ill-advised by the prevailing business or ethical codes, to the extent it is aware thereof, of the companies or entities with which it has dealings.

The gifts given by Endesa are notably designed to raise the profile of Endesa's brand image. All gift-giving, with the exception of those of negligible value, must be handled and authorised pursuant to the applicable protocols and duly documented.

Any Endesa professionals that receive unauthorised gifts or favours should notify the Audit Department of Endesa S.A. which will assess whether or not they are appropriate.

3. Plan TCC: application

Endesa's commitment to combating corruption requires all stakeholders to adhere to the plan.

3.1 Organisation and responsibilities

At the behest of the Chairman and Chief Executive Officer of Endesa S.A., Plan TCC is submitted to the Audit and Compliance Committee and to the Board of Directors of Endesa S.A. for approval.

3.2 Relations with third parties

3.2.1 Subsidiaries, affiliates and investees

- During the procurement phase or the phase in which relations with third parties are being defined, Endesa checks that the minimum pre-requisites ensuring compliance with Plan TCC are in place.
- The Board of Directors of Endesa's investees are requested to adopt a Code of Ethics and Plan TCC using the appropriate channels.
- Endesa asks its affiliates and subsidiaries that do not have a Code of Ethics or programme against corruption in place to adopt its Code of Ethics and Plan TCC or, alternatively, to draw up similar documents of their own.

3.2.2 Agents, consultants and intermediaries

- All persons representing Endesa are obliged to sign a statement committing to upholding the provisions of the Code of Ethics and Plan TCC.
- Recognised fees shall be justified according to the task performed and market practices applicable at any given time.
- The corresponding documents shall be filed to ensure that contractual relations are correct, transparent and can be easily monitored.
- If counterparties are found to be conducting themselves in a manner not compliant with Plan TCC, Endesa will take such measures as it deems appropriate to address this situation, within the legally established limits, including the termination of the contract in question.

3.2.3 Sale and procurement procedures

- Endesa conducts sale and procurement transactions in a correct and transparent manner.
- Internal procedures include the appropriate controls to ensure transparency and correctness in the process of supplier selection and the management and application of the relevant contract.
- During the supplier selection process, the willingness of potential suppliers to commit to the principles of the Code of Ethics and Plan TCC is rated positively.
- If counterparties are found to be conducting themselves in a manner not compliant with Plan TCC, Endesa will take such measures as it deems appropriate to address this situation, within the legally established limits, including the termination of the contract in question.

3.3 Human resources

- During hiring processes, selected candidates are asked to sign a statement undertaking to respect the provisions of the Code of Ethics and Plan TCC.
- All internal documents related to HR management shall refer to the provisions of Plan TCC.
- No person shall be sanctioned for refusing to engage in bribery.
- In the event of a failure to comply with Plan TCC, Endesa shall apply the sanctions described in the corporate disciplinary code for the employees in question, including managers, in accordance with the terms of the collective agreements and procedures and laws applicable in the countries in which Endesa operates.

3.4 Training

- To guarantee the dissemination of Plan TCC and its correct interpretation, training sessions are conducted for all members of staff.
- Specific courses are tailored to each professional group with a view to explaining the applicable principles, commitments and procedures.

- External stakeholders are also provided with the material and know-how necessary to compile their own anti-corruption programmes.

3.5 Reports and feedback

Endesa's employees, managers and directors are urged to report any violation or suspected violation of Plan TCC and, more generally, of the Code of Ethics, to the Audit Department, which will arrange a review of the report, interviewing the informer and alleged culprit as warranted.

Instances of violation can be notified to Endesa's dedicated ethics mailbox (<http://codigoconducta.endesa.es>) or by letter addressed to: Endesa, S.A. Corporate Audit Department, Ribera del Loira 60, 28042-Madrid

All other stakeholders are invited to report any violations or suspected violations to the same address.

In all cases, Endesa guarantees protection of the informer's identity, except as required by law and without prejudice to the defence of the company's rights or those of the persons referred to in the report submitted.

All violations of Plan TCC shall be submitted to the Audit and Compliance Committee, and, in the most serious cases, once reviewed, said violations and the resulting sanctions will be reported to the Chief Executive Officer of Endesa S.A. or, where applicable, to the company's Board of Directors.

3.6 Communication

Employees are informed of Plan TCC using internal communications tools.

- All employees receive a copy of Plan TCC.
- Disclosure in respect of the adoption of Plan TCC is provided in all contracts signed by Endesa.
- Plan TCC is available to all stakeholders on the company's website:

http://www.endesa.es/Portal/es/gobierno_corporativo

It can also be found on:

<http://www.endesaonline.com/ES/Hogares/codigoetico/index.asp>

And on the company Intranet under the Corporate Information/Corporate Governance/Ethical Conduct section

3.7 Control activities

3.7.1 Internal control system

All Endesa's resources are committed to fighting against corruption. Specifically, each unit is responsible for establishing the appropriate control systems within their remit in order to implement Plan TCC.

3.7.2 Audit

The Audit Department is responsible for monitoring the control systems set up by the company's different business units to implement the plan. This department operates across all Endesa group companies and its objective is to identify ways of improving the internal control system.

The Audit and Compliance Committee assesses the periodic audit plan and checks that measures taken are adequate to ensure compliance with Plan TCC.

3.7.3 Sustainability Report

The Sustainability Report offers a clear, truthful and accurate account of the results achieved in all areas of stakeholder engagement with respect to the initiatives implemented to enforce Plan TCC.

Endesa submits its Sustainability Report for external assurance by an accredited independent company.

3.8 Follow up and review

Within the Board of Directors, the Audit and Compliance Committee:

- Issues binding opinions on the review of the most significant internal policies and procedures to ensure compliance with Plan TCC
- Assesses potential changes or extensions of Plan TCC proposed by the Audit Department, based on its own verifications.