

Compliance Protocol - Defence of People's Rights

The purpose of this document is to describe the Compliance Protocol implemented at Endesa to prevent behaviour that could put people's rights at risk. In particular, the activities and bodies involved in the functioning of the protocol are described, as well as its operations.

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1. Purpose

Endesa promotes respect for the rights of people in all aspects of its business activity, both in the operations carried out by its workers and in its business relationships with third parties. It also requires its contractors, suppliers and partners to adhere to the same principles.

Furthermore, Endesa is committed to complying with the law and has a policy of zero tolerance towards committing unlawful conduct within its activity. The company does everything it can to establish a culture and programmes of proper enforcement to avoid any risk materialising that may lead to a crime being committed.

The objective of this Protocol is to describe Endesa's control system in defending people's rights and structuring it with the distinctive elements of a compliance management system.

2. Scope

This Protocol applies to all companies in which Endesa has a majority, exercises control or has responsibility for its management.

It will be applied directly in the companies that are fully owned by Endesa. In the rest of the companies, Endesa's representatives in the governing and management bodies will promote it being adopted and incorporated into the company's internal regulations.

Hereinafter, when this document refers to Endesa, it refers to the group of companies included in its scope.

Likewise, the content of this Protocol will be mandatory for all Collaborators, without exception, i.e. the managers, directors or employees of Endesa, as well as any external third party contracted to provide a service to Endesa.

3. Concepts

Risk areas: Endesa's areas of activity in which a reasonable possibility is identified of committing a crime that should be prevented in accordance with this Protocol, the company's ethical and compliance regulations.

Code of Ethics: set of ethical commitments and responsibilities to be assumed by the company's employees and collaborators in business operations and business activities.

Collaborator: the directors and employees of Endesa S.A. and the other entities included within its Scope, as well as any external third party contracted to provide a service to Endesa.

Audit and Compliance Committee (ACC): specialised committee of the Board of Directors with the primary role of ensuring good corporate governance and transparency in all of the company's activities in the economic/financial fields, external audit and compliance, and internal audit.

Oversight Committee (OS): collegiate body of Endesa that reports solely and exclusively to the ACC with the primary role of controlling and proposing to update the ethical and criminal risk prevention regulations in order to adapt it to the needs of the company and to legal changes.

Board of Directors: Endesa's administrative and representative body.

Regulatory Compliance Programme: structured and organic system of procedures and suitable oversight and control activities to prevent the risk of non-compliance with the regulations applicable to the company.

Employees: people who work for Endesa, including managers.

Internal Control and Risk Management System: Process carried out by the Board of Directors, the Management, and the rest of the company's employees, to reasonably ensure the effectiveness and efficiency of operations, the reliability of the information, compliance with internal and external regulations and adequate safeguarding of their assets by minimising the risks.

4. Elements of the Protocol

Control Environment

This is the set of norms, processes and structures that are the bases on which the internal control of Endesa is performed.

The Board and Senior Management define the entity's behaviour model regarding the importance of internal control and the expected standards of conduct. In particular, in terms of defending people's rights, Endesa's People and Organisation Department is responsible for reinforcing expectations about internal control in this area at different levels of the organisation.

This Protocol is structured based on the existing control environment at Endesa, considering the principles and values that operate throughout the organisation. Its main instruments in terms of people's rights are as follows:

- **Code of Ethics:** sets out the ethical commitments and responsibilities, in business operations and business activities, assumed by Endesa's collaborators. This was approved by the Board of Directors on 19 April 2010.
- **Human Rights Policy.** includes Endesa's commitment and responsibilities in relation to all human rights, and especially those that affect its business activity and the operations carried out by its workers, in all its business relationships with contractors, suppliers and business partners. This was approved by the Board of Directors on 24 June 2013.
- **Collective Agreement Framework IV:** signed on 3 December 2013, this establishes the working conditions for Endesa employees agreed between the Management and the Worker Representatives, in accordance with the provisions of the Workers' Statute Law.
- **Action protocol for preventing and eradicating sexual, gender-based or workplace harassment:** describes the procedure to follow when a complaint is received that is related to sexual, gender-based or workplace harassment. This is included as annex 14 to the Collective Agreement Framework IV.

Evaluation of risks and control activities

The following are, in non-exhaustive terms, behaviour that may undermine defending people's rights and that all Endesa Collaborators must prevent:

- Discriminating against any person in the workplace due to their ideology, religion or beliefs, their ethnicity, race or nation, their gender, sexual orientation, family situation, illness or disability, for being the legal representative or trade union worker representative, due to their relationship with other workers in the company or for using any of the official languages within the Spanish State.
- Any conduct that has the objective or consequence of violating the dignity of the person and creating an intimidating, humiliating or offensive atmosphere in the workplace, particularly those behaviours that threaten the person based on gender or sexual orientation.
- Employing foreign citizens, or minors, who do not have a work permit; labour trafficking; offering false or misleading employment or working conditions, or under conditions that suppress or restrict the rights of workers.

Identifying activities in the scope of which such conduct may materialise is carried out jointly by the Directorate-General of People and Organisation and Corporate Legal Advice and Compliance. The control activities consist of protocols or procedures that specify the process of forming the corporate will, as well as the decision-making and execution processes of the members of the company, which are executed, supervised and documented by those responsible for the operational processes, helping to ensure that the objectives of the Protocol are achieved.

Risk scenarios are evaluated according to their impact (damages that they can cause on the organisation if they materialise) and their probability (frequency with which they can materialise).

Monitoring

This Protocol is continuously monitored to check if its design and operation are adequate to meet its objective, analysing and solving the identified incidents.

The Audit and Compliance Committee is the body in charge of supervising compliance and operation of the Endesa's regulatory compliance systems, in accordance with the law and Endesa's internal regulations.

In turn and under the direct and exclusive oversight of the Audit and Compliance Committee, the Oversight Committee exercises the functions entrusted to it, including controlling and proposing to update the ethical and criminal risk prevention regulations

The following powers in relation to protocol oversight correspond to the Oversight Committee:

Evaluation

The design and operability of the control activities contemplated in the matrix are evaluated periodically. The scope and frequency of the review will depend on the importance of the risks and the effectiveness demonstrated by the controls.

The evaluation provides sufficient confidence in the system and enables its evolution in light of shortcomings and external or internal changes that may affect the company. Furthermore, it provides evidence vis-à-vis third parties regarding the Protocol's validity and effectiveness.

Action plans for shortcomings

For each shortcoming identified, an appropriate action plan is designed and implemented to mitigate the risk associated with poor control, which is designed by the person responsible for the process with the support of the Oversight Committee. This will in turn ensure it is implemented correctly.

Response to on-compliance

In cases of non-compliance with the policies, rules and procedures associated with the Protocol or upon identifying cases of crime, the Oversight Committee must coordinate, with the advice and collaboration of the Directorate-Generals of Legal Services, Auditing, and People and Organisation, the required investigations. If legal proceedings are started, any ongoing action that could conflict with said circumstance will be stopped.

Once any investigation is completed, the Oversight Committee must ensure disciplinary measures are adopted correctly, with the People and Organisation unit responsible for monitoring and guaranteeing the application, if necessary, of said penalties. This will always be in accordance with applicable employment legislation.

Information and communication

The Oversight Committee is responsible for promoting the initiatives necessary for the proper dissemination and training of staff on the material referred to in this Protocol, so that the Collaborators can adequately comply with the provisions of the regulations.

For this purpose, the following actions are carried out:

- communication of the commitment of Endesa's Management with the content of this Protocol;
- dissemination and training of the material contained in this Protocol;
- communication of the results of the evaluations, as well as the action plans put in place to mitigate the weaknesses identified, both to those responsible for the processes by the Audit, and to the Governing Bodies by the Oversight Committee.

All Endesa employees have the obligation to report any breach or suspected breach of ethical and compliance regulations through the ethical channel that the company makes available to all its stakeholders on its website (<http://www.endesa.com/es/accionistas/gobiernocorp/canaletico>).

In addition to the channel, Endesa's Collaborators may report any breach or suspected breach to the Audit Department, by email to the email address: eticaycumplimiento@enel.com or by post to the Endesa headquarters in Madrid at calle Ribera del Loira 60, 28042.

In cases related to complaints regarding sexual, gender-based or workplace harassment, communications may be addressed directly to the Directorate-General of People and Organisation, in accordance with the procedure described in the Action Protocol for preventing and eradicating sexual, gender-based or workplace harassment, included as Annex 14 in the Endesa Collective Agreement IV.

Endesa makes the channels mentioned above available to its collaborators, notwithstanding, in any case, the rights of the affected workers to go to the ordinary channels of the labour jurisdiction, including the union sections of the workers' representation, or any another action protected by law.

Disciplinary system

Failure to comply with the measures considered in this Protocol and with the Company's standards of conduct are penalised by applying Endesa's penalty system considered in the Company's Collective Agreement.

The application of disciplinary regimes is the exclusive power of Endesa's Management and its Group, notwithstanding the powers that the Social Jurisdiction has legally attributed in this matter.

5. Responsibilities

To operate effectively and ensure its proper execution, review, oversight and updating, the Protocol requires control bodies that give it adequate support.

Board of Directors

This is the highest management and representation body of Endesa and its Group, in accordance with the Law and the Articles of Association. The Board of Directors cannot be delegated the power to oversee the Company's internal information and control systems.

Audit and Compliance Committee

The main function of this Committee will be to ensure good corporate governance and transparency in all company actions in the economic/financial, external audit, internal audit and compliance areas. In any case it will have, among others, the following functions:

- Oversee the effectiveness of the Company's Internal Control System and risk management systems.
- Inform the proposed amendments to the Company's Code of Ethics.

In relation to the company's regulatory compliance programmes, the Audit and Compliance Committee is responsible for conducting a permanent and constant analysis of the systems implemented, as well as the functions performed by the Oversight Committee, including the control and update of this Protocol.

Oversight Committee

Under the direct and exclusive oversight of the Audit and Compliance Committee, the Oversight Committee exercises the functions entrusted to it, including the control and proposal to update Endesa's ethical and criminal risk prevention regulations. This is intended to adapt them to the Company's needs and to legal changes.

In particular, and in relation to this Protocol, the Committee is responsible for continuously promoting and overseeing its implementation and effectiveness, collaborating with the Directorate-General of People and Organisation in identifying and managing risk areas and activities to mitigate control, and ensuring that continuous training support is provided to employees and timely information to the rest of the collaborators, among others.

The powers and functioning of the Oversight Committee are described in detail in its Regulations (Annex II of the Endesa Criminal Risk and Anti-bribery Prevention Model).

Directorate of People and Organisation

The Directorate of People and Organisation is responsible for monitoring and guaranteeing the application, if necessary, of the company's disciplinary system, the adequate fulfilment of employment legislation and the Collective Agreements in force at any given time, as well as managing the relations with Worker Representatives, and the negotiation of the Collective Agreements with the support and advice of Legal Services.

In relation to the compliance programme in defence of people's rights, the Directorate-General of People and Organisation is responsible for ensuring that it is implemented appropriately, ensuring the availability of sufficient and adequate resources for its effective execution.

Legal Services Department

In the event that for causes derived from breaching this Protocol, Endesa were involved in a procedure from which it is deduced it is administratively or criminally liable, the Legal Services Department will be responsible for representing and defending it.

Organisation

All members of the Organisation are responsible for executing and complying with this Protocol. For this purpose, they must:

- Know the reference regulations.
- Execute the controls provided in it.
- Keep sufficient proof that it is executed correctly.
- Inform the Oversight Committee and the Directorate-General of People and Organisation of new risk scenarios if identified.

Moreover, all Endesa's Collaborators have the obligation to report any suspected breach or infringement of the principles contained in this Protocol and in the rest of the Company's ethical and compliance regulations through the Whistleblowing Channel or directly emailing the Audit Department at the email address: eticaycumplimiento@enel.com or by post to the Endesa headquarters in Madrid at calle Ribera del Loira 60, 28042. In cases related to complaints regarding sexual, gender-based or workplace harassment, communications may be addressed directly to the Directorate-General of People and Organisation¹, in accordance with the procedure described in the Protocol of action for preventing and eradicating sexual, gender-based or workplace harassment, included as Annex 14 in Endesa's Collective Agreement Framework IV.

The Collaborators who convey their notifications in good faith will always be protected by the Audit and Compliance Committee against any type of retaliation. Likewise, absolute confidentiality regarding the identity of the persons who notify them will be ensured in all cases, notwithstanding the legal obligations and the protection of the rights corresponding to companies and persons who may be unfairly accused or in bad faith.

Failure to comply with the obligation to inform will be penalised as provided in the company's disciplinary system.

Entry into force and validity

This document will be applicable from the day following the date it is issued and it will remain valid as long as it is not modified or repealed by a later one.

Communication

Personnel are informed of the existence of this Protocol through internal communication instruments.

The Protocol, together with the rest of Endesa's ethical and compliance regulations, is available to all interested parties on the company's website (http://www.endesa.es/Portal/es/gobierno_corporativo), and on the Intranet (Corporate Governance/Ethics and Compliance section).

¹ If they are received through the Whistleblowing Channel, the Audit Department, in charge of managing the complaints channel, will transfer them to the Directorate-General of People and Organisation for processing.