



**CRIMINAL REGULATORY AND ANTI-BRIBERY  
COMPLIANCE POLICY**

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## 1. INTRODUCTION: CRIMINAL REGULATORY 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 fulfilment 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 rules that fulfil its requirement to maintain appropriate management and control systems for the detection and prevention of criminal conduct and, in particular, regarding any potential bribery offences.

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

*1.1. Criminal Risk and anti-bribery 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:* a document that represents the Endesa Group's firm commitment to the fight against corruption, which is the 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.*

*1.6. Protocol on the Defence of Human Rights:* document that aims to describe the Endesa Group's control system in defending human rights

*1.7. Human Rights Policy:* document that properly sets out the Endesa Group's commitment and responsibilities with regard to all human rights, both those affecting its business activity and the operations carried out by its employees, and in all its commercial relations with contractors, suppliers and business partners.

The Criminal and Anti-Bribery Regulatory Compliance Policy is another part of these internal rules. Together with those mentioned above, they now all make up Endesa Group's "*Criminal And Anti-Bribery Regulatory Compliance System*" (hereinafter, the "**Criminal Regulatory Compliance System**"), which is an integrated body of provisions that not only respects Spanish legal requirements in this area, but is also sufficient to meet the expectations reasonably placed on organisations that operate with the highest levels of commitment in advanced markets, such as the Endesa Group.

## **2. SCOPE AND DEFINITION**

2.1. The Criminal Regulatory 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 regulatory compliance system consistent with that of the Endesa Group.

2.2. The Criminal Regulatory Compliance System applies to the Endesa Group Organisation 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. Capitalised 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 REGULATORY COMPLIANCE SYSTEM**

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

- (1) Endesa and its Organisation, 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 Regulatory Compliance System", with the primary objective of attempting to prevent, detect, avoid and properly respond to any action which may constitute a criminal offence in accordance with applicable criminal provisions in force from time to time ("**Criminal Offences**").
- (2) The prevention, detection and proper response to Criminal Offences in line with its general policies are key aims of Endesa. With this aim in mind, proper mechanisms are established within its Organisation to fulfil 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 minimising the Organisation's risk exposure.
- (3) Endesa shall encourage the application of preventive actions; properly identify those activities in relation to which Criminal Offences may be committed; and encourage responsible, proactive behaviour of the members of its Organisation, all in line with leading modern international principles on regulatory compliance.
- (4) Endesa is committed to making all the members of its Organisation aware of their duty to report, in good faith, any events and/or conduct reasonably suspect of constituting a Criminal Offence, establishing all channels, mechanisms and means necessary for the reporting, immediate and unbiased investigation and potential sanction thereof at the relevant level within its Organisation, 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 Organisation with due information on the consequences of violating the Criminal Regulatory 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 Directorate of People and Organisation in accordance with the applicable employment regulations and with full respect for the rights of the persons investigated.
- (6) For the above-mentioned purposes, an updated and current version of the Criminal Regulatory Compliance System shall be duly publicised and made available to the members of its Organisation, 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 fulfilment of the objectives of the Criminal Regulatory 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 Organisation and the supervisory duties of the Directorate-General of Auditing.
- (8) The Audit and Compliance Committee, with the assistance of the Supervision 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 Regulatory Compliance System. The Supervision Committee reports solely and exclusively to the Audit and Compliance Committee, as the committee specifically granted the duty for, inter alia, criminal risk prevention in accordance with its operating regulations.

- (9) The Criminal Regulatory Compliance System shall be reviewed and improved on a regular and continuous basis by the Supervision Committee, who shall regularly report to the Senior Management and Governing Bodies on, inter alia, any issue related to criminal risks faced by the Organisation; changes to the applicable criminal compliance obligations, including the effect of such changes on the Organisation; assessment of the performance of criminal compliance measures; and the outcome of the assessment thereof.
- (10) Endesa is aware that certain Criminal Offences 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 Regulatory Compliance System pays special attention to the prevention, detection and proper response to such strictly prohibited behaviours, conveying the importance of involvement of the Organisation as a whole in the fight against all forms of "bribery."

#### **4. ACTIONS UNDER THE CRIMINAL REGULATORY COMPLIANCE SYSTEM**

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

*4.1. Risk assessment and control activities.* Identification by the Supervision Committee, in coordination with those individuals responsible for the processes within the Organisation, of activities in relation to which Criminal Offences 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 Organisation, 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 Organisation 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 Regulatory 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 Supervision 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 Supervision Committee, who shall be responsible for performing, inter alia, the following activities:

*(a) Assessment of the Criminal Regulatory Compliance System.* - The Supervision 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 Regulatory 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 non-compliance.* In the event of any violation of the Criminal Regulatory Compliance System or if a Criminal Offence is detected, the Supervision 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 Supervision 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 Organisation are able to properly fulfil their obligations in this regard.

This Version 1 of the Criminal and Anti-Bribery Regulatory Compliance Policy was approved by the Audit and Compliance Committee of Endesa's Board of Directors on 6 November 2017 and updated on 4 May 2020.