



CRIMINAL RISK AND ANTI-BRIBERY PREVENTION MODEL

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Definitions

- **Risk Areas:** Endesa's areas of activity in which a reasonable possibility of committing a crime that is to be prevented in accordance with article 31 bis of the Criminal Code is identified.
- **Code of Ethics:** set of ethical commitments and responsibilities to be assumed by the company's employees and collaborators in managing business and business activities.
- **Criminal Code:** Organic Law 1/2015 of 30 March, which modifies Organic Law 10/1995 of 23 November of the Criminal Code.
- **Audit and Compliance Committee (ACC):** delegated body of the Board of Directors with the primary role of ensuring good corporate governance and transparency in all of the company's actions in economic/financial fields, external audit and compliance, and internal audit.
- **Model Oversight Committee (OS):** collegiate body with autonomous powers of initiative and control with the primary role of controlling and proposing the Model's updates, in order to adapt it to the needs of the company and legal changes.
- **Board of Directors:** Endesa's administrative and representative body.
- **Crime:** typical (described by law), unlawful (against the law) and guilty conduct, action or oversight that entails a penalty, with objective conditions of punishability.
- **Employees:** people who work for Endesa, including managers.
- **Zero Tolerance Plan Against Corruption (ZTPC):** responsibilities Endesa assumes when undertaking its activities related to its commitment to fight corruption.
- **Internal Control System:** process carried out by the Board of Directors, the Management and the rest of the entity's staff, designed in order to provide a reasonable degree of security in terms of achieving objectives related to operations, information and compliance.

1. Introduction

The purpose of this document is to describe the Endesa Criminal Risk and Anti-Bribery Prevention Model (hereinafter the "Model") that the company applies in all areas of its business Group. In particular, the activities and bodies involved in the functioning of the Model are described, as well as its operations.

2. Regulatory framework

Article 31 bis of the Criminal Code determines the criminal liability regime of legal persons in Spain, when it establishes that they will be criminally responsible:

- a) Of the crimes committed in their name or on their behalf, and for their direct or indirect benefit, by their legal representatives or by those who, acting individually, or as members of a body of the legal entity, are authorised to make decisions on behalf of the legal person or have powers of organisation and control within it.
- b) Of the crimes committed in undertaking corporate activities and on behalf of and for the direct or indirect benefit thereof, by those who, being subject to the authority of the natural persons mentioned in the preceding paragraph, have been able to carry out the acts as they have seriously failed to comply with the duty to control their activity, given the specific circumstances of the case.

For the liability derived from the crimes committed by the people described in section a) above, the conditions of the exemption are as follows:

1. the administrative body has effectively adopted and executed, prior to the crime being committed, organisational and management models that include the appropriate supervision and control measures to prevent crimes of the same nature or to significantly reduce the risk that they will be committed;
2. the oversight of the operation and compliance of the prevention model implemented has been entrusted to a body of the legal entity that has autonomous powers of initiative and control, or which is legally bestowed with the task of overseeing the efficacy of the legal entity's internal controls;
3. individual perpetrators have committed the crime by fraudulently evading organisation and prevention models; and
4. there has been no omission or insufficient exercise of its oversight, monitoring and control functions by the body referred to in condition 2.

For the liability derived from the crimes committed by the people described in section b) above, the exemption is exclusively conditioned on the fact that, before the crime is committed, the legal entity has effectively adopted and executed an organisation and management model that is appropriate to prevent crimes of the nature of which it was committed or to significantly reduce the risk they will be committed.

In both cases reference is made to the organisation and management models to which the Criminal Code requires compliance with the following requirements:

- Identify the activities in which the crimes that must be prevented can be committed.
- Establish the protocols or procedures that specify the process of forming the corporate will, as well as the decision-making and execution processes in relation to those.
- Have adequate financial resources management models to stop the crimes that must be prevented from being committed.
- Impose the obligation to report possible risks and breaches to the body in charge of monitoring the operation and observance of the prevention model.
- Establish a disciplinary system that adequately penalises non-compliance with the measures established by the model.
- Carry out a periodic verification of the model and its possible modification when relevant infringements of its provisions are revealed, or when changes occur in the organisation, in the control structure or in the activity carried out that make them necessary.

The legislation also establishes that the criminal liability of companies will be enforceable even when the specific responsible natural person has not been individualised.

Annex 1 of this document contains the “**Criminal Risks Dossier**”, where the crimes categorised in the reference regulations are briefly explained.

3. Endesa Criminal Risk and Anti-Bribery Prevention Model

3.1. Objectives of the Model

Since its inception as a business group, Endesa has equipped itself with internal control systems, operating procedures, codes of conduct and other organisational elements with the aim of ensuring the conditions of transparency, security and control advisable to the activities of its business group.

Endesa forms its Prevention Model on the basis of the previous elements, adding the special requirements demanded by the Criminal Code, so that it allows greater visibility of Endesa's organisation and management model among those acting in its name or on behalf of it, raising their awareness so that their behaviour is, in performing their activity, correct and consistent with the objective of preventing the crimes that could affect the company from being committed.

The Endesa Criminal Risk and Anti-Bribery Prevention Model is, therefore, the creation of a structured and organic system of procedures and suitable supervision and control activities to prevent the crimes that fall under its scope from being committed, that is, those that could result in criminal liability for legal persons of its business group.

This Endesa Model was adopted by its Board of Directors at its meeting on 25 January 2016 and was updated in November 2018 and May 2020.

3.2. Scope

The Endesa Model is applied in all companies in which Endesa has a majority, exercises control or has responsibility for its management.

In those companies with different shareholdings in which Endesa does not have control, its representatives in the governing and management bodies will promote adopting a crime prevention model that complies with the requirements of the Criminal Code.

The aforementioned applies in the same way in the case of mixed economy companies, temporary unions of companies and economic interest groups.

3.3. Elements of the Model

The Model is made up of five elements that, combined, guarantee an adequate control system for the prevention of criminal risks: (i) Control Environment, (ii) Risk assessment and control activities, (iii) Oversight activities, (iv) Information and Communication, and (v) Disciplinary system.

3.3.1 Control Environment

It is the set of norms, processes and structures that constitute the base on which the internal control of the organisation is developed. The Board and Senior Management set the tone regarding the importance of internal control and the expected standards of conduct within the entity, and Management reinforces expectations concerning internal control at different levels of the organisation.

The Endesa Criminal Risk and Anti-Bribery Prevention Model has been structured based on the existing control environment at Endesa, considering the principles and values that operate throughout the Organisation. The main instruments of which are the following:

- **Code of Ethics**, which sets out the ethical commitments and responsibilities, in managing business and business activities, assumed by Endesa's collaborators. It was approved by the Board of Directors on 19 April 2010.
- **Zero Tolerance Plan Against Corruption**. Commitments made by Endesa in the fight against corruption, in compliance with the tenth principle of the Global Compact and by applying the transparency criteria recommended by the organisation Transparency International. It was approved by the Board of Directors on 19 April 2010.
- **Human Rights Policy**. Collects 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, including managers and employees. It was approved by the Board of Directors on 24 June 2013 and updated on 4 May 2020.
- **Corporate integrity protocols**. These establish clear principles of action that Endesa employees must respect in different matters, such as accepting and offering gifts and hospitality, dealing with public officials, or in situations that may involve potential conflicts of interest.
- **Internal and procedural regulations of the Group**. Among other issues, the process of forming the corporate will is regulated, as well as the decision-making and execution processes.
- **Repertoire of Corporate Governance standards**. Set of rules that regulate the constitution and activity of the company, as well as how its governing bodies operate. Others include the Articles of Association, the Regulations of the Board of Directors, the Regulations of the General Shareholders' Meeting, and the Internal Regulations for Conduct in the Stock Market.
- **Financial resource management model**. In Endesa's internal regulations, the controls and authorisations required for managing its financial resources are developed and established, based on the corporate rule of governance of the Board of Directors, which indicates the relevant acts and

operations that must be authorised by the company's highest governing body. In addition, Endesa has a risk control and management system in relation to Internal Control over Financial Reporting (ICFR), whose objective is to provide reasonable assurance about the reliability of the financial information that it supplies to the market as a listed company.

- **Powers system.** Scheme of powers of attorney of Endesa and its subsidiaries, which has different types of power to which different powers associated with the organisational role are assigned and with different conditions under which the activities are carried out (individual or joint and financial limits).
- **Operational instruction on the application of the principle of segregation of duties,** through which the assignment of roles, responsibilities and levels of authority is established and managed, avoiding any type of incompatibility, in order to support meeting the company's objectives.
- **IT General Controls.** Control activities in the field of systems intended to ensure the proper development and implementation of the company's computer applications.
- **Authorisation workflows.** Access rights management system so that all transactions are properly approved, documented and authorised by the persons designated for this purpose.

Although these instruments have their own purposes identified in their respective contents, the set of those parts relevant to the Model's objective, together with the other elements described below, make up the organisation and management model that includes the appropriate supervision and control measures to prevent crimes from which a criminal liability could be derived for the legal persons of its business group.

3.3.2. Risk assessment and control activities

Identifying the activities in which crimes can be committed from those that could result in criminal liability for legal persons of its business group is carried out jointly by the Oversight Committee and those responsible for the processes. Risks are evaluated according to their impact (damages that they could inflict on the organisation if they materialise) and their likelihood (frequency with which they can materialise).

Each identified criminal risk scenario has at least one control activity intended to prevent the risk from materialising and prevent the crimes analysed from occurring. The control activities consist of protocols or procedures that specify the process of forming the corporate will, decision-making and execution of the same by the members of the company, which are executed, overseen and documented by those responsible for the operational processes, helping to ensure that the Model objectives are achieved.

The identified risk scenarios and control activities are included in a matrix of processes, risks and controls, which also identifies the person responsible for executing the controls. The Audit Department is responsible for managing the consolidated matrix. It updates it as new risk situations and changes in processes or activities are identified, ensuring its suitability and continuous improvement.

3.3.3. Oversight activities

The Model is continuously overseen to check if its design and operation are adequate with respect to the requirements of the applicable regulations, analysing and solving the identified incidents.

The Audit and Compliance Committee is the body in charge of overseeing compliance and operation of the Model, in accordance with the law and Endesa's internal regulations. In turn, under the direct and exclusive oversight of the Audit and Compliance Committee, the Oversight Committee will exercise the functions entrusted to it. This shall include the control and proposal for updating the Model, while relying on the Audit function for developing its competences by virtue of the powers conferred on it and the required specialisation.

The Oversight Committee's Regulation defines its powers and operations. The Committee periodically verifies its adequacy and proposes possible modifications and updates to the ACC if it considers it necessary. (See Appendix 2)

The following powers correspond to the Oversight Committee in general terms:

Assessment

The design and operability of the control activities considered in the Model 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 assessment 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 Model's validity and effectiveness.

Action plans for shortcomings

For each identified shortcoming, 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 Audit function, which will in turn ensure its proper implementation.

Non-compliance response

In cases of non-compliance with the policies, rules and procedures associated with the Model, or in identifying cases of potential crime, the Oversight Committee must coordinate, with the advice and collaboration of Legal Services, the required investigations. If legal proceedings are initiated, 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 correctly adopted, with the People and Organisation unit responsible for monitoring and guaranteeing the application, if necessary, of said penalties.

3.3.4. Information and Communication

The Oversight Committee is responsible for promoting the initiatives necessary for the proper dissemination and training of staff in ethics and preventing criminal risks, so that the members of the company can adequately comply with the provisions of the regulations.

For this purpose, the following actions are carried out:

- communication of the commitment of the company's Management with ethical and upright behaviour.
- dissemination and training of the Code of Ethics (CE), the Zero Tolerance Plan Against Corruption (ZTPC) and the Criminal Risk and Anti-Bribery Prevention Model.
- communication of the results of the assessments, as well as the action plans put in place to mitigate the weaknesses identified, both to those responsible for the processes by the Auditing Department, and to the Governing Bodies by the Oversight Committee.

All Endesa collaborators are compelled to report any breach or suspected breach of ethical and crime prevention regulations through the whistleblowing channel that the company makes available to all its stakeholders on its website (<http://www.endesa.com/es/accionistas/gobiernocorp/canaletico>). It is also available on the intranet, in the Corporate Governance - Ethics and Compliance section. In addition to the channel, Endesa's collaborators may report any breach or suspected breach to the Auditing Department to the email address: eticaycumplimiento@enel.com or by post to the Endesa headquarters in Madrid at calle Ribera del Loira 60, 28042.

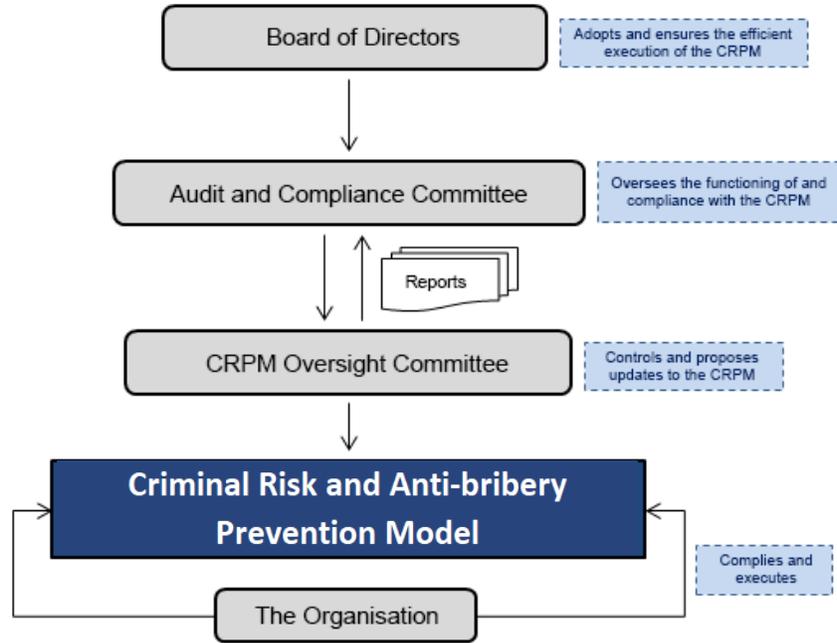
3.3.5. Disciplinary system

Failure to comply with the measures contemplated in the Model and with the company's rules of conduct are penalised by applying Endesa's penalty system contemplated in the Company's Collective Agreement. The list of disciplinary penalties applicable to breaching the Model includes dismissal.

The Company's Management has exclusive power to apply disciplinary regimes, notwithstanding the powers that the Social Jurisdiction has legally attributed in this matter, and is outside the result of the judicial procedure, if it occurs, since the rules of conduct adopted by Endesa are completely autonomous and independent of any legal order to which the infringement may give rise.

4. Responsibilities in relation to the Model and reporting

To operate effectively and ensure its proper execution, review, oversight and updating, the Model requires control bodies that give it adequate support. The below chart reflects the defined scheme and the responsibilities derived from compliance with the Model.



The responsibilities of each of these bodies at different stages of the process are defined below.

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.

In relation to the Criminal Risk and Anti-Bribery Prevention Model, and pursuant to the provisions of article 31 bis of the Spanish Criminal Code, the Board of Directors of Endesa is in charge of adopting and ensuring the effective execution of the Model.

Audit and Compliance Committee of the Board of Directors

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:

- Monitoring the effectiveness of the company's Internal Control System and risk management systems, as well as discussing with account auditors or auditing companies the significant weaknesses of the internal control system detected in the course of the audit.
- Informing the proposed amendments to the Company's Code of Ethics.

In relation to the Criminal Risk and Anti-Bribery Prevention Model, the Audit and Compliance Committee is the body responsible for overseeing the Model's operation and compliance, as well as the functions performed by the Oversight Committee, including controlling and updating the Model.

CRPM Oversight Committee

Under the direct and exclusive oversight of the Audit and Compliance Committee, the Oversight Committee exercises the functions entrusted to it. This includes controlling and proposing to update the Criminal Risk and Anti-Bribery Prevention Model to adapt it to the company needs and legal changes.

The Committee has adequate autonomy, independence and professionalism, and the Audit and Compliance Committee is responsible for the decisions regarding its composition. The Committee is endowed with the necessary financial resources to carry out its responsibilities, which are foreseen in the annual budgets, and is supported by the Audit Department by virtue of the powers conferred on it and the required specialisation.

In operational terms, the following tasks correspond to the Oversight Committee:

1. Identifying risk areas by analysing the company's activities.
2. Implementing the control activities that mitigate the identified risks, considering that the main responsibility for their execution lies with those responsible for the processes. For this purpose, an effective and efficient training process must be guaranteed for the company's staff.
3. Co-ordinating the implementation of the controls provided for in the Model (definition of clauses, staff training, disciplinary measures, etc.), as well as their oversight, with those responsible for the different areas in the company.
4. Carrying out periodic reviews of transactions or specific areas, as established in the Model.
5. Collecting, verifying and retaining relevant information and documentation related to the Model. In particular, the Committee must be informed of the most significant activities, with the required documentation being made available to it.
6. Acting as an advisory body for the Model's operation.
7. Promoting appropriate initiatives for disseminating and understanding the Model.
8. Carrying out the internal investigations needed to analyse alleged violations of the Model's provisions.
9. Ensuring disciplinary measures are adopted in order to penalise any case of non-compliance with the Model, in co-ordination with those responsible for the different areas of the company.
10. Verifying that the Model is adequate and meets the requirements of the regulations.
11. Any other related to ethical regulations, through specific activities aimed at controlling and promoting the continuous improvement of ethical behaviour in the company. Proposing

modifications to the Code of Ethics and the Zero Tolerance Plan Against Corruption to the Audit and Compliance Committee.

The Oversight Committee will report annually to the Audit and Compliance Committee on the activities carried out in relation to the Model and its results.

Legal Services

In the event that for causes derived from breaching the Criminal Risk and Anti-Bribery Prevention Model, Endesa were involved in a procedure from which it is deduced it is criminally liable, the Legal Services unit will be responsible for representing and defending it.

People and Organisation

The People and Organisation Directorate is responsible for monitoring and guaranteeing the application, if necessary, of the company's disciplinary system.

The Organisation's Directorate-General

The Organisation's various Directorate-Generals must guarantee the adequate dissemination of this document to all its members and, where appropriate, participate in processes of investigating notices that respectively affect them, when there are reasonable suspicions of non-compliance.

The Organisation's various Directorate-Generals are responsible for the execution and compliance of the Model. For this purpose, they must:

- Know the reference regulations
- Execute the controls provided in the Model.
- Maintain adequate evidence of its correct execution.
- Inform the Oversight Committee of new risk scenarios if identified.

Moreover, all Endesa members are compelled to report any suspected violation or infringement of the principles contained in the Model or in the company's ethical regulations through the Channel or directly to the Oversight Committee. Anyone in the company who conveys 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.

Appendix 1: Criminal Risks Dossier

https://intranet.enel.com/es-es/thegroup/corporate_governance/Paginas/Gobierno-Corporativo/Etica-y-Cumplimiento.aspx

Appendix 2: Regulation of the Oversight Committee

https://intranet.enel.com/es-es/thegroup/corporate_governance/Paginas/Gobierno-Corporativo/Etica-y-Cumplimiento.aspx
