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**ANNUAL CORPORATE GOVERNANCE  
REPORT 2020**

**endesa**

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**ISSUER IDENTIFICATION DETAILS**

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Year end-date: [ 31/12/2020 ]

TAX ID (CIF): [ A-28023430 ]

Company name:

[ **ENDESA, S.A.** ]

Registered office:

[ RIBERA DEL LOIRA, 60 MADRID ]

This English-language version has been translated from the original issued in Spanish by the entity itself and under its sole responsibility, and is not considered official or regulated financial information.

In the event of discrepancy, the Spanish-language version prevails.

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**A. OWNERSHIP STRUCTURE**

A.1. Complete the table below with details of the company's share capital:

Date of last change	Share capital (euros)	Number of shares	Number of voting rights
01/10/1999	1,270,502,540.40	1,058,752,117	1,058,752,117

Indicate whether there are different classes of shares with different associated rights:

Yes

No

A.2. List the company's significant direct and indirect shareholders at year end, excluding directors:

Name or company name of shareholder	% of voting rights attached to the shares		% of voting rights through financial instruments		% of total voting rights
	Direct	Indirect	Direct	Indirect	
ENEL, S.P.A.	0.00	70.10	0.00	0.00	70.10

Breakdown of the indirect holding:

Name or company name of the indirect owner	Name or company name of the direct owner	% of voting rights attached to the shares	% of voting rights through financial instruments	% of total voting rights
ENEL, S.P.A.	ENEL IBERIA, S.R.L.	70.10	0.00	70.10

Indicate the most significant changes in the shareholder structure during the year:

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A.3. Complete the following tables on members of the company's Board of Directors holding voting rights on the company's shares:

Name or company name of director	% of voting rights attached to the shares		% of voting rights through financial instruments		% of total voting rights	% voting rights that can be transmitted through financial instruments	
	Direct	Indirect	Direct	Indirect		Direct	Indirect
IGNACIO GARRALDA RUIZ DE VELASCO	0.00	0.00	0.00	0.00	0.00	0.00	0.00
JUAN SÁNCHEZCALERO GUILARTE	0.00	0.00	0.00	0.00	0.00	0.00	0.00
JOSÉ DAMIÁN BOGAS GÁLVEZ	0.00	0.00	0.00	0.00	0.00	0.00	0.00
ALEJANDRO ECHEVARRÍA BUSQUET	0.00	0.00	0.00	0.00	0.00	0.00	0.00
MIQUEL ROCA JUNYENT	0.00	0.00	0.00	0.00	0.00	0.00	0.00
FRANCESCO STARACE	0.00	0.00	0.00	0.00	0.00	0.00	0.00
ALBERTO DE PAOLI	0.00	0.00	0.00	0.00	0.00	0.00	0.00
MARÍA EUGENIA BIETO CAUBET	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total percentage of voting rights held by the Board of Directors						0.00	

Breakdown of the indirect holding:

Name or company name of director	Name or company name of the direct owner	% of voting rights attached to the shares	% of voting rights through financial instruments	% of total voting rights	% voting rights that can be transmitted through financial instruments
IGNACIO GARRALDA RUIZ DE VELASCO	MANILA INVERSIONES GLOBALES SICAV, SA	0.00	0.00	0.00	0.00

This section indicates the percentage of the Company's shares held by Directors at 31 December 2020. Below we indicate the number of shares held by each Director at 31 December 2020:

- Juan Sanchez-Calero Guilarte 372 shares
- Francesco Starace: 10 shares
- José Bogas Gálvez: 2,374 shares direct shares and 6,00 indirect shares through a related individual
- Alberto de Paoli: 10 shares
- Alejandro Echevarría Busquet: 200 shares
- Ignacio Garralda Ruiz de Velasco: 30,471 indirect shares through MANILA INVERSIONES GLOBALES SICAV, S.A.
- Miquel Roca Junyent: 363 shares

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A.4. If applicable, indicate any commercial, contractual or corporate relationships that exist between significant shareholders and the company and/or its group, unless they are insignificant or arise in the ordinary course of business:

Name or company name of related party	Nature of relationship	Brief description
ENEL IBERIA, S.R.L., ENDESA, S.A.	Corporate	Enel, S.p.A. holds 100% of the shares of Enel Iberia, S.R.L.

A.5. If applicable, indicate any commercial, contractual or corporate relationships that exist between significant shareholders and the company and/or its group, unless they are insignificant or arise in the ordinary course of business:

Name or company name of related party	Nature of relationship	Brief description
ENDESA X SERVICIOS, S.L.U.	Corporate	ENDESA X SERVICIOS, S.L.U. (ENDESA Group subsidiary) and Enel Sole, S.r.L. (Enel Group subsidiary) hold 50% stakes in the following temporary joint ventures: Bollullos, Castro del Río, Los Alcázares and Vélez Rubio.
ENDESA X SERVICIOS, S.L.U.	Corporate	ENDESA X SERVICIOS, S.L.U. (95%) and Enel Sole, S.r.L. (5%) (Enel Group subsidiary) hold stakes in the temporary joint venture Abarán.
ENDESA X SERVICIOS, S.L.U.	Corporate	ENDESA X SERVICIOS, S.L.U. (35%) and Enel Sole, S.r.L. (25%) (Enel Group subsidiary) hold stakes in the temporary joint venture Móstoles.

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Name or company name of related party	Nature of relationship	Brief description
ENDESA X SERVICIOS, S.L.U.	Corporate	ENDESA X SERVICIOS, S.L.U. (58%) and Enel Sole, S.r.l. (42%) (Enel Group subsidiary) hold stakes in the temporary joint venture Manacor.

A.6. Describe the relationships, unless insignificant for both parties, that exist between significant shareholders or shareholders represented on the Board and directors, or their representatives in the case of directors that are legal persons.

Explain, if applicable, how the significant shareholders are represented. Specifically, indicate those directors appointed to represent significant shareholders, those whose appointment was proposed by significant shareholders, or who are linked to significant shareholders and/or companies in their group, specifying the nature of such relationships or ties. In particular, mention the existence, identity and post of any directors of the listed company, or their representatives, who are in turn members or representatives of members of the Board of Directors of companies that hold significant shareholdings in the listed company or in group companies of these significant shareholders:

Name or company name of related director or representative	Name or company name of related significant shareholder	Company name of the group company of the significant shareholder	Description of relationship / position
FRANCESCO STARACE	ENEL, S.P.A.	ENEL, S.P.A.	Mr. Starace is one of the four proprietary directors representing Enel Vice-Chairman of Endesa S.A., he is also Chief Executive Officer and General Manager of ENEL, S.p.A., Chairman of the Board of Directors of ENEL IBERIA, S.R.L.
JOSÉ DAMIÁN BOGAS GÁLVEZ	ENEL, S.P.A.	ENEL IBERIA, S.R.L.	Mr. Bogas is the Chief Executive Officer of Endesa, S.A., was appointed to his current position when the controlling shareholder was Enel, S.p.A. He is also IBERIA COUNTRY MANAGER OF GRUPO ENEL, a director of ENEL IBERIA, S.R.L., Sole Director of ENDESA RED, S.A., Chairman of ENEL GREEN POWER ESPAÑA, S.L. and joint and several manager of ENDESA GENERACIÓN II.
ANTONIO CAMMISECRA	ENEL, S.P.A.	ENEL, S.P.A.	Mr. Cammisecra is one of the four proprietary directors representing Enel; in addition, he is the Sole Director of Global Infrastructure and Networks S.r.l. and Head of Global Infrastructure and Networks Division of Enel Group
MARIA PATRIZIA GRIECO	ENEL, S.P.A.	ENEL, S.P.A.	Ms. Grieco is one of the four proprietary directors representing Enel and she is also the Chairwoman of the Board of Directors of Banca Monte dei Paschi di Siena. Additionally, she

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Name or company name of related director or representative	Name or company name of related significant shareholder	Company name of the group company of the significant shareholder	Description of relationship / position
			is a Board Member of Ferrari and Amplifon.
ALBERTO DE PAOLI	ENEL, S.P.A.	ENEL, S.P.A.	Mr. De Paoli is one of the four proprietary directors representing Enel. He is also General Manager, Administration, Finance and Control, of ENEL S.p.A.

**A.7.** Indicate whether the company has been notified of any shareholders' agreements that may affect it, in accordance with the provisions of Articles 530 and 531 of the Spanish Corporate Enterprises Act. If so, describe them briefly and list the shareholders bound by the agreement:

Yes  
 No

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Indicate whether the company is aware of any concerted actions among its shareholders. If so, provide a brief description:

Yes  
 No

If any of the aforementioned agreements or concerted actions have been amended or terminated during the year, indicate this expressly:

**A.8.** Indicate whether any individual or company exercises or may exercise control over the company in accordance with Article 5 of the Securities Market Act. If so, identify them :

Yes  
 No

Name or company name
ENEL IBERIA, S.R.L.

Enel S.p.A. wholly owns Enel Iberia, S.R.L.

**A.9.** Complete the following table with details of the company's treasury shares:

At the close of the year:

Number of direct shares	Number of indirect shares (*)	Total percentage of share capital
82,799		0.01

On 28 September 2020, the Board of Directors of ENDESA, S.A. resolved to carry out a Temporary Share Buy-Back Programme to provide coverage for the Long-Term Variable Compensation Plan referred to as the 2020-2022 Strategic Incentive Plan, which includes the delivery of shares as part of the Strategic Incentive payment. The agreed term for this Programme was from 30 September 2020 to 13 October 2020, establishing a cap of €30 per share, such that the maximum monetary amount allocated will be €2,483,970.

The Buy-Back Programme managed and implemented by Exane, S.A. ("Exane BNP Paribas") was in compliance with the Commission Delegated Regulation (EU) 2016/1052 supplementing Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April. Following application of the Programme on 31 December 2020, ENDESA, S.A. holds the following treasury shares:

No. of Shares: 82,799  
Par Value (€/Share): 1.20  
Percentage of Share Capital (%): 0.00782  
Average Acquisition Price (€/Share): 23.27  
Total Acquisition Cost (€): 1,926,534



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(\*) Through:

Name or company name of direct shareholder	Number of direct shares
No data	

Explain any significant changes during the year:

Explain significant changes
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**A.10. Provide a detailed description of the conditions and terms of the authority given to the Board of Directors to issue, repurchase, or dispose of treasury shares:**

At the Ordinary General Meeting held on 5 May 2020, shareholders resolved: to authorise the Company to acquire, directly or through its and subsidiaries, treasury shares;

I. To revoke and nullify, as to the unused portion, the authorisation for the derivative acquisition of treasury shares, granted by the Ordinary General Shareholders' Meeting held on 27 April 2015;

II. To once again authorise the Board of Directors, with specific delegation power, to execute derivative acquisitions of treasury shares, as well as the pre-emptive rights in respect thereof, pursuant to article 146 of the Spanish Corporate Enterprises Act on the following conditions:

a) Acquisitions may be made via purchase, swap or any legally accepted method, directly by the Company, by its group companies or by proxy, up to the maximum legal limit.

b) Acquisitions shall be made at a minimum price per share of its par value and a maximum equal to their trading value at the time of acquisition.

c) The duration of the authorisation shall be five years.

d) As a consequence of the acquisition of shares, including those purchased previously and held at the time of the acquisition by the company or persons acting in their own names but on the Company's behalf, the resulting equity shall not be reduced to below the sum of the share capital plus the restricted reserves established by law or the bylaws, all in accordance with the provisions of letter b) of article 146.1 of Spain's Corporate Enterprises Act.

The authorisation also includes acquisitions of shares which, as the case may be, must be delivered directly to the employees and Directors of the Company or its subsidiaries, as a consequence of the exercise of stock option rights held.

**A.11. Estimated floating capital:**

	%
Estimated floating capital	29.90

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**A.12.** Indicate whether there are any restrictions (articles of incorporation, legislative or of any other nature) placed on the transfer of shares and/or any restrictions on voting rights. In particular, indicate the existence of any type of restriction that may inhibit a takeover of the company through acquisition of its shares on the market, as well as such regimes for prior authorisation or notification that may be applicable, under sector regulations, to acquisitions or transfers of the company's financial instruments.

Yes  
 No

**A.13.** Indicate whether the general shareholders' meeting has resolved to adopt measures to neutralise a takeover bid by virtue of the provisions of Law 6/2007.

Yes  
 No

If so, explain the measures approved and the terms under which such limitations would cease to apply.

**A.14.** Indicate whether the company has issued shares that are not traded on a regulated EU market.

Yes  
 No

If so, indicate each share class and the rights and obligations conferred:

**B. GENERAL SHAREHOLDERS' MEETING**

**B.1.** Indicate whether there are any differences between the minimum quorum regime established by the Spanish Corporate Enterprises Act for General Shareholders' Meetings and the quorum set by the company, and if so give details:

Yes  
 No

**B.2.** Indicate whether there are any differences between the company's manner of adopting corporate resolutions and the regime provided in the Spanish Corporate Enterprises Act and, if so, give details:

Yes  
 No

**B.3.** Indicate the rules for amending the company's articles of incorporation. In particular, indicate the majorities required for amendment of the articles of incorporation and any provisions in place to protect shareholders' rights in the event of amendments to the articles of incorporation.

Pursuant to article 25 of the Bylaws, in order for the Ordinary or Extraordinary General Shareholders' Meeting to validly agree on an amendment to the Corporate Bylaws, on first call shareholders representing at least 50% of the subscribed capital with voting rights must be present. On second call 25% of the capital must be represented.

**B.4.** Give details of attendance at General Shareholders' Meetings held during the reporting year and the two previous years:

Attendance data
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Date of general meeting	% physically present	% by proxy	% distance voting		Total
			Electronic voting	Other	
23/04/2018	70.12	11.52	0.00	0.09	81.73
Of which Floating Capital	0.02	11.52	0.00	0.09	11.63
12/04/2019	70.11	15.50	0.00	0.14	85.75
Of which Floating Capital	0.01	15.50	0.00	0.14	15.65
05/05/2020	70.12	15.05	0.00	0.16	85.33
Of which Floating Capital	0.02	15.05	0.00	0.16	15.23

The General Shareholders' Meeting in 2020 was exclusively held remotely due to the COVID-19 health crisis. The remote attendance data are included in the physical attendance %, as the table does not differentiate between physical and remote attendance, and for the purposes of attendance remote and physical attendance should be treated the same.

**B.5.** Indicate whether any point on the agenda of the General Shareholders' Meetings during the year was not approved by the shareholders for any reason:

Yes  
 No

**B.6.** Indicate whether the articles of incorporation contain any restrictions requiring a minimum number of shares to attend General Shareholders' Meetings, or to vote remotely:

Yes  
 No

Number of shares required to attend General Meetings	100
Number of shares required for voting remotely	

As from amendment of the Bylaws and General Shareholders' Regulations at the last General Shareholders' Meeting of 5 May 2020, Endesa will require ownership of one hundred shares to physically attend the General Shareholders' Meeting. However, this restriction will not apply to remote attendance (which for the purposes of attendance is the same as physical attendance). Additionally, shareholders who own fewer than one hundred shares may vote remotely or may delegate their proxy to any shareholder with the right to attend, as well as form groups with other shareholders in identical circumstances to obtain the required number of shares, with the grouped shareholders conferring their representation to one shareholder within the group.

This feature was added to the General Shareholders' Meeting Regulations in financial year 2020 with the aim of simplifying and streamlining organization of the General Shareholders' Meetings from a logistics perspective, promoting its sustainability and remote and distance attendance as well as promoting a decreased number of shareholders physically attending the General Shareholders' Meetings.

This amendment is in line with the conclusions of the corporate governance report issued by the Expert Committee, established by resolution of the Council of Ministers dated 10 May 2013, which, regarding the right to attend General Shareholders' Meetings, proposed, as established in the Spanish Corporate Enterprises Act, that the maximum number of shares that may be required to physically attend the general shareholders' meetings of listed companies be capped at 1,000 shares. The Expert Committee noted that, in practice and considering that the shares owned by the shareholder can be added to those for which he/she holds proxy, this cap does not create a barrier to exercising the attendance right.

**B.7.** Indicate whether it has been established that certain decisions, other than those established by law, entailing an acquisition, disposal or contribution to another company of essential assets or other similar corporate transactions must be submitted for approval to the General Shareholders' Meeting:

Yes  
 No

**B.8.** Indicate the address and manner of access on the company's website to information on corporate governance and other information regarding General Shareholders' Meetings that must be made available to shareholders through the company website.

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The Company's website is [www.endesa.com](http://www.endesa.com)

- Information on "Corporate Governance" can be accessed from the homepage via "Shareholders and Investors".
- To access General Shareholders' Meeting content, a direct banner link is posted on the home page from the time the meeting is called until it is held.

Once the meeting has been held, the General Shareholders' Meeting information can be accessed through two channels:

- Shareholders & Investors - Corporate Governance - General Shareholders' Meetings.
- Shareholders and Investors- For Investors- Upcoming events for Investors- Event History- More information on General Shareholders' Meetings

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### C. STRUCTURE OF THE COMPANY'S ADMINISTRATION

#### C.1. Board of Directors

C.1.1 Maximum and minimum number of directors established in the articles of incorporation and the number set by the general meeting:

Maximum number of directors	15
Minimum number of directors	9
Number of directors set by the general meeting	13

C.1.2 Complete the following table on Board members:

Name or company name of director	Representative	Category of Director	Position on the Board	Date first appointed	Date of latest appointment	Election procedure
JUAN SÁNCHEZ-CALERO GUILARTE		Independent	CHAIRMAN	12/04/2019	12/04/2019	RESOLUTION OF THE GENERAL SHAREHOLDERS' MEETING
FRANCESCO STARACE		Proprietary	VICE CHAIRMAN	16/06/2014	23/04/2018	RESOLUTION OF THE GENERAL SHAREHOLDERS' MEETING
JOSÉ DAMIÁN BOGAS GÁLVEZ		Executive	CHIEF EXECUTIVE OFFICER	07/10/2014	23/04/2018	RESOLUTION OF THE GENERAL SHAREHOLDERS' MEETING
MARÍA EUGENIA BIETO CAUBET		Independent	DIRECTOR	05/05/2020	05/05/2020	RESOLUTION OF THE GENERAL SHAREHOLDERS' MEETING
ANTONIO CAMMISCREA		Proprietary	DIRECTOR	27/09/2019	05/05/2020	RESOLUTION OF THE BOARD OF DIRECTORS
ALEJANDRO ECHEVARRÍA BUSQUET		Independent	DIRECTOR	25/06/2009	26/04/2017	RESOLUTION OF THE GENERAL SHAREHOLDERS' MEETING
IGNACIO GARRALDA RUIZ DE VELASCO		Independent	DIRECTOR	27/04/2015	12/04/2019	RESOLUTION OF THE GENERAL SHAREHOLDERS' MEETING

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PILAR GONZÁLEZ DE FRUTOS		Independent	DIRECTOR	05/05/2020	05/05/2020	RESOLUTION OF THE GENERAL SHAREHOLDERS' MEETING
MARIA PATRIZIA GRIECO		Proprietary	DIRECTOR	26/04/2017	23/04/2018	RESOLUTION OF THE GENERAL SHAREHOLDERS' MEETING
ALICIA KOPLOWITZ ROMERO DE JUSEU		Independent	DIRECTOR	05/05/2020	05/05/2020	RESOLUTION OF THE GENERAL SHAREHOLDERS' MEETING
FRANCISCO DE LACERDA		Independent	DIRECTOR	27/04/2015	12/04/2019	RESOLUTION OF THE GENERAL SHAREHOLDERS' MEETING
ALBERTO DE PAOLI		Proprietary	DIRECTOR	04/11/2014	12/04/2019	RESOLUTION OF THE GENERAL SHAREHOLDERS' MEETING
MIQUEL ROCA JUNYENT		Independent	INDEPENDENT COORDINATING DIRECTOR	25/06/2009	26/04/2017	RESOLUTION OF THE GENERAL SHAREHOLDERS' MEETING

Total number of Directors	13
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Indicate any cessations, whether through resignation or by resolution of the general meeting, that have taken place in the Board of Directors during the reporting period:

Name or company name of director	Category of the director at the time of cessation	Date of last appointment	Date of cessation	Specialised committees of which he/she was a member	Indicate whether the director left before the end of his or her term of office
HELENA REVOREDO DELVECCHIO	Independent	12/04/2019	15/01/2020	AUDIT AND COMPLIANCE COMMITTEE APPOINTMENTS AND COMPENSATION COMMITTEE	YES

Reason for cessation when this occurs before the end of the term of office and other observations; information on whether the director has sent a letter to the remaining members of the board and, in the case of cessation of non-executive directors, explanation or opinion of the director dismissed by the general meeting

The independent director Helena Revoredo tendered her resignation as a director of the company on 15 January 2020 by letter to the Board of Directors. In her letter Ms. Revoredo stated that she was resigning solely and exclusively for personal reasons that prevented her from continuing to serve and provide sufficient dedication to her position.

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She also specified that her decision was not related in any way to any disagreement with the Company's strategy or with the operation or duties of the Board of Directors or of Endesa's Audit and Compliance Committee or Appointments and Compensation Committee, which she always supported since she was appointed as an independent director. The resignation became effective on 15 January 2020 and was reported to the Spanish Securities Market Commission (CNMV) on 17 January 2020.

C.1.3 Complete the following tables on the members of the Board and their categories:

EXECUTIVE DIRECTORS:		
Name or company name of director	Post in organisation chart of the company	Profile
JOSÉ DAMIÁN BOGAS GÁLVEZ	CHIEF EXECUTIVE OFFICER	Born in Madrid in 1955. Industrial Engineering Degree from ICAI (1978). Iberia Country Manager for the Enel Group. Sole Director of Endesa Red, S.A.; Chairman of Enel Green Power España, S.L.; Joint Director of Endesa Generación II, S.A.; Director of Enel Iberia, S.R.L.; Director of Operador del Mercado Ibérico de Energía-Polo Español, S.A.; Member of the Executive Board of AELEC; Honorary Vice Chairman of Club Español de la Energía; Member of the Executive Board of Club Español de la Energía; Member of the Spanish Committee of INSEAD; Member of the Board of Trustees and Vice Chairman of Fundación Endesa; Member of the APD Steering Committee; Member of the International Advisory Board for Corporate Policy of Instituto Internacional San Telmo; Member of the Board of Trustees of Fundación Seres; Member of the Board of Trustees of Fundación Integra (appointment pending).

Total number of executive directors	1
Percentage of Board	7.69

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EXTERNAL PROPRIETARY DIRECTORS		
Name or company name of director	Name or company name of the significant shareholder represented by the director or that nominated the director	Profile
FRANCESCO STARACE	ENEL, S.P.A.	Born in Rome in 1955. Nuclear Engineer from the Polytechnic University of Milan. Chief Executive Officer and General Manager of Enel, S.p.A., Vice Chairman of ENDESA, S.A, Chairman of Enel Iberia, S.R.L., Member of the Executive Board of Fulbright (from November 2012), Member of the Advisory Board of the Polytechnic of Milan (from January 2014), Member of the Board of Directors of the United Nations Global Compact (from May 2015), Member of the Board of the IIT Foundation, Italian Institute of Technology (from February 2015), Member of the Advisory Board of Confindustria (from May 2016 ) and Member of the General Council (from May 2015), Member of the WEF International Business Council (from February 2016), Member of the Global Commission to End Energy Poverty, on invitation from Rockefeller Foundation (from September 2019), Member of “GLOBAL INVESTORS FOR SUSTAINABLE DEVELOPMENT” ALLIANCE – GISD (from 16/10/2019), Member of Ambrosetti G20 Business Advisory Board for the Italian Presidency (from June de 2020) Member of the Advisory Board of the United Nations’ “Sustainable Energy 4 All” initiative (from June 2014).
ANTONIO CAMMISECRA	ENEL, S.P.A.	Born in Naples in 1970. Degree in Mechanical Engineering from the Federico II University of Naples (1996) and MBA Business and Economics from SDA Bocconi, Milan (2004). Sole Director of Global Infrastructure and Networks S.r.l. and Head of Global Infrastructure and Networks Division in the Enel Group.
MARIA PATRIZIA GRIECO	ENEL, S.P.A.	Born in Milan in 1952. Holds a degree in Law from the University of Milan. Chairwoman of the Board of Directors of Banca Monte dei Paschi di Siena, Independent Director of Ferrari N.V. (a company listed in the Italian Stock Exchange and the New York Stock Exchange), Independent Director of Amplifon S.p.A. (a company listed in the Italian Stock Exchange), Member of the Board of the Bocconi University, Chairwoman of the Italian Corporate Governance Committee
ALBERTO DE PAOLI	ENEL, S.P.A.	Born in Pavia in 1965. He holds a degree in Economics from the University of La Sapienza, Rome. General Manager Administration, Finance and Control at ENEL S.p.A.

Total number of proprietary directors	4
Percentage of Board	30.77

EXTERNAL INDEPENDENT DIRECTORS	
Name or company name of director	Profile



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JUAN SÁNCHEZ-CALERO GUILARTE	Born in Rome in 1956. He holds a Law degree, a doctorate in Law and is a university professor. Chairman of Endesa and of the Endesa Foundation, Partner at the Sánchez-Calero Law Firm and Professor of Commercial Law of the Faculty of Law of the Complutense University of Madrid. Investment Adviser at Buen Suceso, S.A.; Member of the Board of the UCM Law School. Other positions on Boards of Trustees as a representative of Endesa, S.A. and Fundación Endesa: Fundación Pro CNIC, Fundación Pro RAE, Fundación Ayuda contra la Drogadicción, Fundación Princesa de Asturias, Fundación Princesa de Girona and Fundación Mujeres por África.
MARÍA EUGENIA BIETO CAUBET	Born in Barcelona in 1950. Bachelor of Business Sciences and Master of Business Administration, ESADE. Advanced Studies Diploma, ESADE-Ramón Llull University. Doctorate, Ramón Llull University. Professor in the Department of Strategy and Management at ESADE since 1997; Director of the ESADE Women Initiative; Chairwoman of the ESADE Alumni Women Empowerment Club; Member of the Governing Board of the Círculo del Liceo de Barcelona; Vice Chairwoman of Coordinadora Catalana de Fundaciones; Member of the Board of Trustees of Fundación SM; Member of the Board of Trustees of Acció Solidària contra l'Atur; Member of the Control and Monitoring Committee of Mutua Asepeyo; Member of the International Advisory Boards of University of St. Gallen, SKEMA, Université Paris Dauphine, Fundação Getulio Vargas-Rio, and Lisbon School of Economics.
ALEJANDRO ECHEVARRÍA BUSQUET	Born in Bilbao (Spain) in 1942. He holds a degree in Business Administration from the University of Deusto. Chairman of Mediaset España Comunicación, S.A., Director of Sociedad Vascongada de Publicaciones, S.A., Director of Compañía Vinícola del Norte de España (CVNE), Director of Editorial Cantabria, S.A., Director of Diario El Correo, S.A., Director of Mediaset España Comunicaciones, S.A. Trustee of Novia Salcedo Foundation, Trustee of Fundación de Ayuda contra Drogadicción.
IGNACIO GARRALDA RUIZ DE VELASCO	Born in Madrid in 1951. Holds a degree in Law from the Complutense University of Madrid (1974), Chartered Trade Broker and Stock and Exchange Broker and Notary Public (on leave). Chairman and CEO of Mutua Madrileña Automovilista, Chairman of Mutua Madrileña Automovilista SPFF, Chairman of the Mutua Madrileña Group subsidiaries, Director of Caixabank, S.A., Chairman of Mutua Madrileña Foundation, Trustee of Fundación Pro-Real Academia Española, Trustee of Museo Reina Sofía, Member of the Board of Trustees of Princesa de Asturias, Ayuda contra la Drogadicción.
PILAR GONZÁLEZ DE FRUTOS	Born in Segovia in 1956. Holds a degree in Law. Chairwoman of Unespa; Independent Director of Marktel, S.A.; Vice Chairwoman of CEOE; Member of the CNMV Consulting Committee; Chairwoman of the Social Board of Universidad Complutense de Madrid.
ALICIA KOPLOWITZ ROMERO DE JUSEU	Born in Madrid in 1953. She studied at the French Lyceum in Madrid and completed her education with various courses in Economics and Fine Arts in Spain and elsewhere in Europe. Sole Director of the Omega Capital Group; Chairwoman of Morinvest SICAV; Chairman of Fundación Alicia Koplowitz; Director of Omega Group companies (Omega Capital, S.L.; Tikhap Kwarp. S.L.O.; Fonsagrada, S.L.; Landis Inversiones, S.L.; Vedor; Bell Capital S.L.; Alphavile 2002 Inversiones, S.L.; Feynman Capital, S.L.; Sikeir. S.L.; Alpalharo, S.A.O.; Leyton Investments, S.L.; Loyalty Square, S.L.; Darrow Capital, S.A.; Lacillo, S.L.; Fongadea Recoletos 7-9, S.L.; Hospes Hoteles, S.L.; Castellana Veintiocho, S L.U.; Rustica La Aljabara, S.L.O.; Omega Gestion De Inversiones, S.G.I.I.C. S A.; Equitybox, S R.S.A.O.; Komar Investmente, Inc.; - Gemoa, Inc.; Proherre Internacional, Lda.; Nepa, S.R.L.; Hospes Hoteles, S.L.; Morinvest Sicav, S.A.; Fermat 2006; Sicav, S.A.; Arca Select; Sicav, S.A.). Life Chairwoman of Fundación Alicia Koplowitz; Sponsoring Partner of the Alicia Koplowitz Foundation Association of Mental Health Scientists for Children and Adolescents; Honorary Member of La Real Academia de Bellas Artes de San Fernando; Patron of Fundación Princesa de Asturias; Patron of Fundación Profesor Uría; Member of the Royal Board of Trustees of the Prado Museum; Patron of the Cultural Advisory Council of Fundación Bancaria La Caixa; Member of the Board of Union Centrale des Arts Décoratifs (UCAD); Honorary Member of the Guggenheim Museum in Bilbao; Member of the European Advisory Board of Christie's; Member of the International Board of the Royal Theatre; Board Member of the Peres Centre for Peace; Patron of Fundación Hispano Judia; Patron of Fundación SHE, established by Dr. Valentín Fuster; Patron of Fundación Amigos del Museo del Prado; Honorary Member of Sociedad Española de Psiquiatra; International Ambassador to The Feuerle Collection.
FRANCISCO DE LACERDA	Born in Lisbon (Portugal) in 1960. Holds a degree in Business Administration and Management from the Portuguese Catholic University (1982). International Directors Program – Certified, INSEAD. Member of the Portuguese Group of the Trilateral Commission and Member of the Pharol SGPS Maturities Committee
MIQUEL ROCA JUNYENT	Born in Cauderan (France) in 1940. Law graduate from the University of Barcelona and holder of an honorary doctorate from the distance learning universities of León, Girona and Cádiz, European University of Madrid and

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	Comillas Pontifical University. Practising lawyer since 1962: Partner-Chairman of the Roca Junyent law firm, with offices in Barcelona, Madrid, Palma de Mallorca, Girona, Lleida, Ombudsman at Seguros Catalana Occidente since March 1996, Non-director Secretary of Banco Sabadell, Abertis Infraestructuras, TYPESA and Werfenlife, S.L. Director of ACS and Aigües de Barcelona.
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Total number of independent directors	8
Percentage of Board	61.54

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Indicate whether any director classified as independent receives from the company or any company in its group any amount or benefit other than remuneration as a director, or has or has had a business relationship with the company or any company in its group during the past year, whether in his or her own name or as a significant shareholder, director or senior executive of a company that has or has had such a relationship.

If so, include a reasoned statement by the Board explaining why it believes that the director in question can perform his or her duties as an independent director.

Name or company name of director	Description of the relationship	Reasoned statement
<p>IGNACIO GARRALDA RUIZ DE VELASCO</p>	<p>Entered into an agreement with Mutua Madrileña for the 2021 policy on Endesa's leased fleet, with a premium of up to €2.3 million. The Endesa Director Ignacio Garralda is the Executive Chairman of Mutua Madrileña. The contracting of this policy with Mutua Madrileña is not technically classified as a related-party transaction between Endesa and the Director Mr. Garralda for commercial purposes, as Article 231 of the Spanish Corporate Enterprises Act(LSC) and the Related-Party Transaction Regulations classify as a related party of an Endesa Director those companies in which the Director, personally or through an intermediary, holds a controlling position as defined in Article 42.1 of the Commercial Code, and Ignacio Garralda is not in such a position as the Executive Chairman of Mutua Madrileña. Consequently, this transaction is not, strictly speaking, subject to Endesa's Related-Party Transaction Regulations nor to Article 529 ter, section h), of the Spanish Corporate Enterprises Act(LSC), which establish the approval of related-party transactions as a non-delegable power of the Board, following a report from the Audit and Compliance Committee. However, in view of the reform process for the legal framework for related-party transactions, the approval process for related-party transactions was applied to the agreement entered into with Mutua Madrileña for the 2021 policy on Endesa's leased fleet.</p>	<p>The contracting of the 2021 policy for Endesa's leased fleet with Mutua Madrileña is an ordinary transaction; the services are provided on an arm's length basis, as confirmed by the report issued by an independent expert. Additionally, in accordance with international good corporate governance criteria, the amount is not significant or material, as the contract amounts account for much less than 1% of both companies' income and/or turnover.</p>

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Name or company name of director	Description of the relationship	Reasoned statement
MIQUEL ROCA JUNYENT	Miquel Roca Junyent is the Partner-Chairman of the law firm Roca Junyent and an independent Director of Endesa since 2009. In financial year 2020, the law firm Roca Junyent provided legal labour advising services to the Ascó-Vandellós Nuclear Association (ANAV). ANAV is the Economic Interest Group formed by Endesa Generación (85.41%) and Iberdrola Generación (14.59%) for the operation and management of the Ascó and Vandellós Nuclear Power Plants. The contract was awarded to ANAV after completing the relevant tender processes. Roca Junyent billed ANAV €11,587 for these services.	Miquel Roca Junyent is carrying out his duties as an independent Director of ENDESA, S.A. without prejudice to this contract between the Roca Junyent law firm and ANAV. It should also be noted that the services provided are of an ordinary nature, awarded through a tender process at arm's length. Finally, it should be noted that the amount is not significant or material, as the contract amounts account for much less than 1% of both companies' income and/or turnover.

**OTHER EXTERNAL DIRECTORS:**

Identify the other external directors, indicate the reasons why they cannot be considered either proprietary or independent, and detail their ties with the company or its management or shareholders:

Name or company name of director	Reasons	Company, manager or shareholder to which or to whom the director is related	Profile
No data			

Total number of other external directors	N/A
Percentage of Board	N/A

Indicate any changes that have occurred during the period in each director's category:

Name or company name of director	Date of change	Previous category	Current category
No data			

C.1.4 Complete the following table with information relating to the number of female directors at the close of the past four years, as well as the category of each:

	Number of female directors				% of total directors for each category			
	2020	2019	2018	2017	2020	2019	2018	2017
Executive					0.00	0.00	0.00	0.00
Proprietary	1	1	1	1	25.00	25.00	25.00	25.00
Independent	3	1	1	1	37.50	16.66	20.00	20.00

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	Number of female directors				% of total directors for each category			
	2020	2019	2018	2017	2020	2019	2018	2017
Other External					0.00	0.00	0.00	0.00
Total	4	2	2	2	30.77	18.18	18.18	18.18

C.1.5 Indicate whether the company has diversity policies in relation to its Board of Directors on such questions as age, gender, disability, education and professional experience. Small and medium-sized enterprises, in accordance with the definition set out in the Spanish Auditing Act, will have to report at least the policy that they have implemented in relation to gender diversity.

- Yes  
 No  
 Partial policies

If so, describe these diversity policies, their objectives, the measures and the way in which they have been applied and their results over the year. Also indicate the specific measures adopted by the Board of Directors and the nomination and remuneration committee to achieve a balanced and diverse presence of directors.

If the company does not apply a diversity policy, explain the reasons why .

**Description of policies, objectives, measures and how they have been applied, and results achieved**

On 10 November 2015, the Board of Directors approved the Director Candidate Selection and Diversity Policy of Endesa, S.A. (most recently updated on 21 December 2020), the purpose of which is to ensure that the proposed appointments or reappointments of directors are based on a previous analysis of the skills required by the Board of Directors, the Audit and Compliance Committee, the Appointments and Compensation Committee and the Sustainability and Governance Committee.

The ultimate goal of this process is to bring together professional and management experience and skills, as well as to promote diversity in terms of knowledge, experience, culture, nationality and gender, thereby explicitly declaring Endesa's commitment to the diverse composition of its highest governing body as from the first stage of selecting candidates. Specifically, as relates to gender diversity, the Candidate Director Selection Policy promotes the objective of having female directors account for at least 40% of the total number of Board members from the end of 2022 on, and shall account for no less than 30% before that time. In order to promote gender diversity among senior management, Endesa's succession plans require that at least half of the candidates be women.

In accordance with this Policy, the Appointments and Compensation Committee analyses the candidates for director, assessing the technical skills required by the Board of Directors and the individual and collective requirements that the members of its internal committees must meet, taking into account, inter alia, the Company's strategic objectives, the dedication required to carry out the office and any potential conflicts of interest. Specifically, the Appointments and Compensation Committee assesses the technical/professional skills required in the following areas: economic/financial and non-financial, accounting, auditing, internal control and financial and non-financial business risk management, human resources, sustainability and corporate governance. After this prior analysis is complete, proposals or reports for appointment, ratification or reappointment of directors are made based on the results of an objective, attestable and transparent selection process, based on an analysis of the skills required on the Board of Directors and its Committees as a whole.

In financial year 2020, the Board of Directors submitted to the General Shareholders' Meeting the proposals for appointment of three independent Directors and ratification of an appointment by co-optation. For the purposes of verifying compliance with the Policy, the following should be noted:

- These appointments contribute to attainment of the target to have female directors account for at least 30% of total Board members by 2020 and, additionally, strengthen the independence of the Board of Directors, such that Independent Directors represent 61.54% of Board members, in line with the most demanding international good governance practices.

- The Appointments and Remuneration Committee performed an analysis of the size of the Board of Directors, the profiles of the Directors, their dedication and the diversity of gender, age and years of service of the members of the Board, and nationality. See details of application of the policy in Annex H1.

Endesa is convinced that diversity in all its forms and at every level of its professional team is a key factor in ensuring the Company's competitiveness and a key element of its corporate governance strategy, which favours a critical attitude, as well as the expression of different points of view and positions and the analysis of its strengths and weaknesses.

Therefore, the Committee considers the diversity on the Board of Directors adequate to date.

C.1.6 Describe the measures, if any, agreed upon by the nomination committee to ensure that selection procedures do not contain hidden biases which impede the selection of female directors and that the company deliberately seeks and includes women who meet the target professional profile among potential candidates, making it possible to achieve a balance between men and women. Also indicate whether these measures include encouraging the company to have a significant number of female senior executives:

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### Explanation of measures

The measures implemented by Endesa's Appointments and Compensation Committee to ensure that the selection procedures do not have any implicit flaws that would prevent the selection of female directors and to ensure that the company has a significant number of female senior officers in financial year 2020 were as follows:

- Gender Diversity on the Board: Amendment of the "Director Candidate Selection and Diversity Policy" in December 2020 to add that said Policy shall promote the objective of having female directors account for at least 40% of the total number of Board members from the end of 2022 on, and shall account for no less than 30% before that time.

The three director selection processes carried out by the Appointments and Compensation Committee in financial year 2020, in collaboration with an independent external advisor, resulted in appointment by the General Shareholders' Meeting of three women, increasing the diversity of women on the Board of Directors from 18.18% as at 31 December 2019 to 30.77% as at 31 December 2020.

- Gender Diversity in Senior Management: In order to promote gender diversity among senior management, and as was made clear in the most recent amendment to the Director Candidate Selection and Diversity Policy, Endesa's succession plans for senior management will require that at least half of the candidates be women.

If in spite of any measures adopted there are few or no female directors or senior managers, explain the reasons for this:

### Explanation of reasons

Female Senior Managers at Endesa represent 12.5% of Senior Management.

This inequality in senior positions can be better understood by considering several factors, including the historical gender composition of the Company due to historical cultural and sociodemographic factors, the industrial nature of the Company and low workforce turnover.

Nevertheless, the data show a progressive annual increase in number of women employed by Endesa, increasing the ratio of women among total workers, an important change that shows the Company's firm commitment to gender diversity, despite the challenges posed in this regard in the energy sector given the limited number of women with a technical background. As of 31 December 2020, Endesa had 9,591 employees, of which 2,356 are women (24.6% compared to 23.9% in 2019).

It should also be noted that women held 19.8% of the total 271 manager positions, which is typically a position held as a preliminary step before reaching senior management. In order to promote gender diversity among senior management, Endesa's senior management succession plans will require that at least half of the candidates be women.

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### C.1.7 Explain the conclusions of the nomination committee regarding verification of compliance with the policy aimed at promoting an appropriate composition of the Board of Directors.

The Appointments and Compensation Committee, at its meeting on 21 December 2020, verified compliance with Endesa's Director Selection Policy, concluding that the composition of the Board of Directors, as relates to the number of members, structure and professional experiences and skills, is adequate to meet the needs of the Company and complies with best corporate governance practices:

The proposals for appointment and reappointment approved by the 2020 General Shareholders' Meeting were based on a previous analysis of the skills required by the Board of Directors, Audit and Compliance Committee, Appointments and Compensation Committee and Sustainability and Governance Committee as a whole, all in accordance with Endesa's Corporate Governance Policy and Candidate Director Selection Policy:

- Appointment of three new female independent Directors: Ms. Bieto, Ms. González and Ms. Koplowitz. The Appointments and Compensation Committee used the services of an external advisor, EGON ZEHNDER, specialized in identifying and selecting candidates in order to improve the efficiency, effectiveness and impartiality of the procedures used to identify the candidates who will ultimately be proposed by this Committee, and justified the proposed appointments, having analysed the composition of the Board and its Committees, as well as the skills and experiences of its members and the needs of the Company, with the aim of integrating diverse professional and management experiences and skills, and to promote diversity of knowledge, experience, culture, nationality and gender, bearing in mind the complex regulatory framework in which the Company's activities are carried out as well as the corporate governance challenges posed by its shareholder structure and corporate organizational chart. The directors are renowned persons with the professional experience, skills and knowledge to perform their duties as a Director of Endesa and who are able to provide the dedication and time necessary to successfully perform their duties as independent directors of Endesa. They also meet all of the requirements established by Law and the corporate regulations of Endesa for appointment as Directors and do not have any conflicts of interest with this position. These appointments contribute to attainment of the target to have female directors account for at least 30% of total Board members by 2020 and, additionally, strengthen the independence of the Board of Directors, such that Independent Directors represent 61.54% of Board members, in line with the most demanding international good governance practices and increasing the skills and experience of the Board of Directors.

- Ratification of the appointment of Antonio Cammiserca as a shareholder-appointed director, appointed by co-optation by the Board of Directors on 27 September 2019, at the proposal of the controlling shareholder Enel, S.p.A. The Committee analysed the composition and needs of the Board and assessed the conditions and dedication required of directors to properly perform their duties, all in compliance with Endesa's Corporate Governance Policy and Candidate Director Selection Policy. Mr. Cammiserca is a renowned person with the professional experience and knowledge to perform his duties as a Director of Endesa and meets all other requirements established by Law and the corporate regulations of Endesa for the ratification of his appointment and reappointment as a Director. His technical professional background fits the needs of Endesa's Board of Directors and its Committees, taking into account his extensive experience in the engineering field both in his studies and his professional career, having held positions of high responsibility at Enel. His engineering knowledge and experience as well as his experience developing renewable energy strategies are key to the performance of Endesa's business activities as an electricity generation, distribution and marketing company. The specific qualities of Mr. Cammiserca address the Company's specific business and strategic oversight needs, considering the main strategic guidelines of the Group.

These three new appointments contribute to attainment of the target to have female directors account for at least 30% of total Board members by 2020 and, additionally, strengthened the independence of the Board of Directors, such that Independent Directors represent 61.54% of Board members, in line with the most demanding international good governance practices.

### C.1.8 If applicable, explain the reasons for the appointment of any proprietary directors at the request of shareholders with less than a 3% equity interest.

Name or company name of shareholder	Reason
No data	

Indicate whether the Board has declined any formal requests for presence on the Board from shareholders whose equity interest is equal to or greater than that of others at whose request proprietary directors have been appointed. If so, explain why the requests were not granted.

Yes  
 No

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C.1.9 Indicate the powers, if any, delegated by the Board of Directors to directors or Board committees:

Name or company name of director or committee	Brief description
JOSÉ DAMIÁN BOGAS GÁLVEZ	With effect from 7 October 2014 the Board of Directors delegated to the CEO all the powers of the Board of Directors of the Company that are legally and statutorily delegable.

C.1.10 Identify any members of the Board who are also directors, representatives of directors or managers in other companies forming part of the listed company's group:

Name or company name of director	Company name of the group entity	Position	Does the director have executive powers?
JOSÉ DAMIÁN BOGAS GÁLVEZ	ENDESA GENERACIÓN II	Joint director	NO
JOSÉ DAMIÁN BOGAS GÁLVEZ	ENEL GREEN POWER ESPAÑA, S.L.	Chairman	NO
JOSÉ DAMIÁN BOGAS GÁLVEZ	ENDESA RED, S.A.	Sole Director	NO

C.1.11 List any directors or representatives of legal-person directors of your company who are members of the Board of Directors or representatives of legal-person directors of other companies listed on regulated markets other than group companies of which the company has been informed:

Name or company name of director	Company name of the listed company	Position
IGNACIO GARRALDA RUIZ DE VELASCO	CAIXABANK,S.A.	DIRECTOR
ALEJANDRO ECHEVARRÍA BUSQUET	MEDIASET ESPAÑA COMUNICACIÓN, S.A.	CHAIRMAN
MIQUEL ROCA JUNYENT	ACS	DIRECTOR
MARIA PATRIZIA GRIECO	AMPLIFON, S.P.A.	DIRECTOR
MARIA PATRIZIA GRIECO	FERRARI N.V.	DIRECTOR
MARIA PATRIZIA GRIECO	BANCA MONTE DEI PASCHI DI SIENA	CHAIRWOMAN

C.1.12 Indicate whether the company has established rules on the maximum number of company boards on which its directors may sit, explaining if necessary and identifying where this is regulated, if applicable:

- Yes  
 No



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### Explanation of the rules and identification of the document where this is regulated

Article 10 of the Board Regulations establishes incompatibilities for Directors and stipulates that any individual sitting on more than four boards of directors of listed companies, other than ENDESA, S.A. or eight organisations in total (including listed and unlisted companies), may not be appointed as a Director of the Company, considering that membership on various boards of directors for companies within the same group shall, for these purposes, count as one board for each group of companies. In addition, for these purposes, any board of directors on which the Director sits shall not count when said board is that of a company that may submit abridged balance sheets and statements of changes in equity or that is a holding company or a mere financial vehicle.

C.1.13 Indicate the remuneration received by the Board of Directors as a whole for the following items:

Remuneration accruing in favour of the Board of Directors in the financial year (thousands of euros)	5,057
Amount of pension rights accumulated by directors currently in office (thousands of euros)	12,906
Amount of pension rights accumulated by former directors (thousands of euros)	4,057

C.1.14 Identify members of senior management who are not also executive directors and indicate their total remuneration accrued during the year:

Name or company name	Position(s)
JUAN MARÍA MORENO MELLADO	GM Energy Management
FRANCISCO DE BORJA ACHA BESGA	General Secretary, Secretary to the Board and GM Legal Advice
JAVIER URIARTE MONEREO	GM Supply
PATRICIA FERNÁNDEZ SALÍS	GM Audit
PABLO AZCOITIA LORENTE	GM Media
RAFAEL GONZÁLEZ SÁNCHEZ	GM Generation
MARÍA MALAXECHEVARRÍA GRANDE	GM Sustainability
GONZALO CARBÓ DE HAYA	GM Nuclear
MANUEL MARÍN GUZMÁN	GM ICT
JOSEP TRABADO FARRÉ	GM ENDESA X
JOSÉ CASAS MARÍN	GM Institutional Relations and Regulation
PAOLO BONDI	GM People and Organisation
LUCA PASSA	GM Administration, Finance and Control
GIANLUCA CACCIALUPI	GM Infrastructures and Networks
IGNACIO JIMENEZ SOLER	GM Communication
IGNACIO MATEO MONTOYA	GM Procurement

Number of women in senior management	2
Percentage of total senior management	12.50

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Total remuneration of senior management (thousands of euros)	12,017
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In 2020 the following persons left the senior management of the company:

- Jose Luis Puche as General Manager, Media, on 31 August 2020.
- Andrea Lo Faso as General Manager, People and Organisation, on 21 June 2020.

C.1.15 Indicate whether the Board regulations were amended during the year:

Yes  
 No

Description of amendment(s)
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The Board of Directors Regulations were amended on 28 September 2020 primarily in response to amendments made to the Good Governance Code for Listed Companies and to the establishment of a Sustainability and Governance Committee, which therefore required that certain duties and responsibilities relating to sustainability and corporate governance previously held by the Audit and Compliance Committee be formally transferred to the new Committee, thus requiring the amendment of various regulations including the Board of Directors Regulations.

These key amendments are discussed herein below and grouped by Title of the Regulations:

Preliminary Title (Articles 1 to 4) - Article 4 ("Amendments") was amended to include, as an improvement, the option for any of the three Board Committees to propose amendments to the Board of Directors Regulations.

Title One (Articles 5 to 6): General Duties and Powers of the Board of Directors - Article 6 ("General Duties and Powers of the Board of Directors"), as relates to the Company's general policies and in line with the new text of Recommendations 4 and 14, was amended to expressly incorporate, in Article 6.4.2, references to the duty of the Board to establish (i) the general policy as relates to the reporting of economic-financial, non-financial and corporate information and (ii) the director selection policy aimed at promoting an appropriate composition of the Board of Directors.

Title Three (Articles 9 to 12): Appointment and Removal of Directors - Article 12 ("Removal of Directors") was amended in line with the new text of Recommendation 24 of the Good Governance Code for Listed Companies, referring to a director ceasing in his/her position before the end of his/her term of office, whether by resignation or by resolution of the General Meeting.

Title Five (Articles 17 to 20): Performance of the Board of Directors - Adds a new article, Article 17bis ("Meeting Venue"), in order to provide more detailed regulations on the meeting venue for Board meetings. Specifically, the new Article 17bis introduces technical improvements to the regulations on meetings held remotely using videoconferencing, conference calls, or any other means of distance communication, thus expanding the options for holding meetings remotely.

Title Six (Articles 21 to 25): Board Committees - As a result of the Bylaw amendments approved by the General Shareholders' Meeting of 5 May 2020, in which it was resolved to establish a new Sustainability and Governance Committee, Article 21 ("Executive Committee and Committees of the Board of Directors"), Article 23 ("Audit and Compliance Committee"), Article 24 ("Appointments and Compensation Committee") and Article 25 ("Sustainability and Governance Committee") were amended to reflect the new distribution of responsibilities among the different Committees and, in particular, to transfer a portion of the duties and powers relating to sustainability and corporate governance, previously held by the Audit and Compliance Committee, to the new Sustainability and Governance Committee. Likewise, the text of these articles was adapted to the new text of Recommendations 37 (regarding composition of the Executive Committee) and 39 (recommending that the members of the Audit and Compliance Committee have knowledge in financial and non-financial accounting, auditing and risk management).

Title Seven (Articles 25bis to 28bis): Duties of Directors - Article 28bis, which governs the Directors' duty of disclosure to the Company, was amended to adapt the text of said article to the new text of Recommendation 22 of the Good Governance Code for Listed Companies, which establishes the obligation of Directors to report to the Board any situations arising that may harm the Company's image or reputation.

Title Ten (Articles 31 to 34): Board Relations - Section 33.3 of Article 33, governing the relations with external auditors, was amended to adapt the contents thereof to the new text of Recommendation 8 of the Good Governance Code for Listed Companies, establishing the duty of the Board of Directors, applicable in the exceptional case in which the statutory auditor has included any reservation in the auditors' report, to make available to the shareholders, at the time the Notice of General Meeting is issued and together with the remaining Board proposals and reports, a summary of the Audit and Compliance Committee's opinion on the contents and scope of such reservation.

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### C.1.16 Specify the procedures for selection, appointment, re-election and removal of directors. List the competent bodies, steps to follow and criteria applied in each procedure.

- Selection: One of the functions entrusted to the Appointments and Remuneration Committee ("CNR") is to define the duties and skills that the candidates must have in order to cover each vacancy and consider the time and dedication required in order to properly perform their mandate, ensuring that, in particular, non-executive directors have enough time to properly perform their duties.

In line with the policy for selecting candidates for the office of director, the Appointments and Compensation Committee shall base its proposals or reports for appointment, ratification or re-election on the results of an objective, verifiable and transparent selection process, which shall be based on a prior analysis of the duties required by the Board of Directors and its Committees taken together, with the objective of integrating professional experiences and skills, as well as different management skills and promoting diversity of knowledge, experience, culture, nationality and gender, bearing in mind the relative weight of the various activities performed by ENDESA as well as the specific areas or sectors that the Company wishes to promote, such as information technology.

In studying candidacies, the Appointments and Remuneration Committee, based on the skills required by the Board of Directors and the criteria that candidates should meet on an individual or joint basis, will assess the following elements:

- i) the technical-professional competences of the candidates, which will take into account the strategic objectives of the Company. The directors as a whole must have the necessary knowledge of the businesses carried on by the Company, including economic/financial, accounting, auditing, internal control and business financial and non-financial risk management aspects, human resources, sustainability and corporate governance, among others.
- ii) candidates' management experience, also taking into account the context in which ENDESA operates;
- iii) the commitment required for performing the office, also assessing the roles already performed by candidates in other companies;
- iv) the possible existence of conflicts of interest;
- v) the significance of possible commercial, financial or professional relationships existing or maintained recently, directly or indirectly, by the candidate with the Company or Group companies;
- vi) possible pending proceedings against the candidate, as well as any criminal convictions or administrative sanctions imposed by competent authorities.

In the case of candidates for Independent Director, the Appointments and Compensation Committee shall verify, in particular, compliance with independence requirements as established by law. In any case, proposals for the appointment, ratification or re-election of Directors shall be made with regard to renowned persons who have the relevant experience and professional knowledge to perform their duties and who assume a commitment of sufficient dedication for the performance of the tasks inherent therein. In proposals for re-appointment, the Appointments and Compensation Committee, in addition to taking into account the same factors as for the initial appointment, will evaluate the director's performance during the time he or she has held the position and his or her ability to continue to fulfil it satisfactorily, as well as the needs of the Board of Directors as a whole.

- Appointment, Ratification and Reappointment: The General Shareholders' Meeting or, as the case may be, the Board shall be responsible for appointing Board members in accordance with the provisions set forth in the Spanish Corporate Enterprises Act and the Corporate Bylaws. The position of Director may be renounced, revoked and reappointed. Proposals for the appointment, ratification or reappointment of Directors made by the Board of Directors to the General Shareholders' Meeting, or as approved by the Board of Directors itself in the case of proposals for appointment, shall be made at the proposal of the Appointments and Compensation Committee, in the case of Independent Directors, and following a report by said Committee for all other types of Directors.

The Directors shall serve in their positions for a term of four years and may be reappointed for periods of the same duration. The Chairman of the Board may not hold office for more than twelve years from the date of his/her initial appointment as Director.

- Removal: The position of Director may be renounced and revoked. The term of office of Directors shall be four years. The power to remove members of the Board of Directors lies with the General Shareholders' Meeting. Prior to this it is the responsibility of the Appointments and Remuneration Committee to propose to the Board of Directors the resignation or removal, as the case may be, of independent Directors, or to report on the proposed removal of other categories of Director, respectively, when they are involved in any of the cases of incompatibility or prohibition provided for in the by-laws or this Regulation, or the shareholder they represent fully transfers its shareholding or reduces its shareholding, or if they are affected by any other situations, whether or not related to their actions in the Company, that could seriously impair the Company's image or reputation.

### C.1.17 Explain to what extent the annual evaluation of the Board has given rise to significant changes in its internal organisation and in the procedures applicable to its activities :

Description of amendment(s)
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The result of the process of annual self-evaluation of the functioning of the Board and that of its Committees in 2020 did not result in changes in the internal organisation of the Board of Directors or its Committees or in the procedures applicable to their activities.
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## ANNUAL CORPORATE GOVERNANCE REPORT OF LISTED PUBLIC LIMITED COMPANIES

Describe the evaluation process and the areas evaluated by the Board of Directors with or without the help of an external advisor, regarding the functioning and composition of the Board and its committees and any other area or aspect that has been evaluated.

### Description of the evaluation process and areas evaluated

The Chairman of the Appointments and Compensation Committee, together with the Chairman of the Board and with participation of the Chairman of the Appointments and Compensation Committee executed and coordinated, with the advice of Gómez-Acebo & Pombo and with the support of the Secretariat of the board, the self-evaluation of the "Board of Directors" for the year 2020, complying with art. 529 nonies of the Corporate Enterprises Act and recommendation number 36 of the Code of Good Governance of Listed Companies of the National Securities Market Commission (CNMV) which states that the Board of Directors in full should evaluate once a year and adopt, where appropriate, an action plan that corrects the deficiencies detected with respect to:

- The quality and efficiency of the functioning of the board of directors.
- The operation and composition of its committees.
- The diversity in the composition and skills of the board of directors.
- The performance of the chairman of the board of directors and the CEO.
- The performance and contribution of each director, paying special attention to those responsible for the different committees of the Board.

In accordance with the Committee Regulations, as part of the assessment process, the attendance of directors at the meetings of the Board of Directors and of the Committees of which they are members was monitored.

The process for obtaining the opinion of the directors on the different aspects of the examination was carried out through two means, based on the relevance and availability of each of the Board members: interviews and questionnaires.

The result of the evaluation process consists of three different aspects:

- Monitoring of the Action Plan for 2020.
- Strengths and areas for improvement of the Board of Directors, the Audit Committee, the Appointments and Remuneration Committee, the Chairman of the Board, the Chief Executive Officer, Chairmen of the Committees and the Secretary to the Board of Directors.
- Improvement actions to be implemented in 2021 in order to rectify any deficiencies detected.

#### C.1.18 Provide details, for years in which the evaluation was carried out with the help of an external advisor, of the business relationships that the external advisor or company in its group maintains with the company or any company in its group.

Gómez-Acebo & Pombo does not present any threats that may compromise or affect the independence of the Firm in the provision of the Services:

Gómez-Acebo & Pombo does not have any conflict of interest nor is there any other circumstance that could affect its independence in carrying out the evaluation work indicated above.

The amounts invoiced by Gómez Acebo & Pombo to the ENDESA Group represent less than 1% of the Firm's turnover.

2019: €554,567  
2020: €547,463

#### C.1.19 Indicate the cases in which directors are obliged to resign.

Directors must tender their resignation when any of the circumstances set forth in Article 12.2 of the Regulations of the Board of Directors applies to them.

In this regard, Directors must place their position at the disposal of the Board when they are subject to any instance of incompatibility or prohibition provided for by law or in the Regulations of the Board of Directors or when the shareholders they represent transfer their equity stake in its entirety, or reduce it. In this last case, the number of proprietary directors will be reduced by the corresponding number; or if they are affected by any other situations, whether or not related to their actions in the Company, that could seriously impair the Company's image or reputation.

Additionally, The Board of Directors shall not propose the dismissal of any independent director to the General Meeting before the completion of the term of office for which the member was appointed in accordance with the Bylaws, unless just cause is identified by the Board of Directors, at the proposal of the Appointments and Compensation Committee. In particular, just cause shall be deemed to exist when the director is appointed to new positions or undertakes new obligations that prevent said director from dedicating the time required to perform the duties inherent in its position as a director, or significantly breaches such duties.

In the event that a Director ceases in his/her position, whether due to resignation or a resolution of the General Shareholders' Meeting, prior to the end of his/her term of office, he/she must sufficiently explain the reasons or, in the case of non-executive directors, explain his/her opinion on the reasons for his/her removal by the General Meeting, in a letter, to be sent to all Board members. Notwithstanding the reporting of said removal to the Spanish Securities Market Commission, insofar as it is relevant to the investors, the reason for removal shall be provided in the Annual Corporate Governance Report, including sufficient references to the reasons provided by the Director.

#### C.1.20 Are qualified majorities other than those established by law required for any particular kind of decision?

- Yes  
 No

If so, describe the differences.

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C.1.21 Explain whether there are any specific requirements, other than those relating to directors, for being appointed as chairman of the Board of Directors:

- Yes  
 No

C.1.22 Indicate whether the articles of incorporation or Board regulations establish any limit as to the age of directors:

- Yes  
 No

C.1.23 Indicate whether the articles of incorporation or Board regulations establish any term limits for independent directors other than those required by law or any other additional requirements that are stricter than those provided by law:

- Yes  
 No

C.1.24 Indicate whether the articles of incorporation or Board regulations establish specific rules for appointing other directors as proxy to vote in Board meetings, if so the procedure for doing so and, in particular, the maximum number of proxies that a director may hold, as well as whether any limit has been established regarding the categories of director to whom votes may be delegated beyond the limits imposed by law. If so, briefly describe these rules.

The Bylaws of the Company, in article 44, and the Regulations of the Board of Directors, article 20.2, indicate that each Director may confer his representation on another member of the Board of Directors. Proxies shall be granted in writing and specifically for each Board Meeting. No director may hold more than three proxies, with the exception of the Chairman, to whom this limit shall not apply, although he/she may not represent the majority of the Board of Directors. Non-Executive Directors may only delegate their proxy to another non-executive.

C.1.25 Indicate the number of meetings held by the Board of Directors during the year. Also indicate, if applicable, the number of times the Board met without the chairman being present. Meetings where the chairman gave specific proxy instructions are to be counted as attended.

Number of board meetings	12
Number of board meetings held without the chairman's presence	0

## ANNUAL CORPORATE GOVERNANCE REPORT OF LISTED PUBLIC LIMITED COMPANIES

Indicate the number of meetings held by the coordinating director with the other directors, where there was neither attendance nor representation of any executive director:

Number of meetings	0
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Indicate the number of meetings held by each Board committee during the year:

Number of meetings held by the AUDIT AND COMPLIANCE COMMITTEE	11
Number of meetings held by the APPOINTMENTS AND REMUNERATIONS COMMITTEE	10
Number of meetings held by the SUSTAINABILITY AND GOVERNANCE COMMITTEE	2

C.1.26 Indicate the number of meetings held by the Board of Directors during the year with member attendance data:

Number of meetings in which at least 80% of directors were present in person	12
Attendance in person as a % of total votes during the year	97.57
Number of meetings with attendance in person or proxies given with specific instructions, by all directors	12
Votes cast in person and by proxies with specific instructions, as a % of total votes during the year	100.00

C.1.27 Indicate whether the individual and consolidated financial statements submitted to the Board for issue are certified in advance:

Yes  
 No

Identify, if applicable, the person(s) who certified the individual and consolidated financial statements of the company for issue by the Board:

Name	Position
JOSÉ DAMIÁN BOGAS GÁLVEZ	CEO
LUCA PASSA	General Manager - Administration, Finance and Control

## ANNUAL CORPORATE GOVERNANCE REPORT OF LISTED PUBLIC LIMITED COMPANIES

### C.1.28 Explain the mechanisms, if any, established by the Board of Directors to ensure that the financial statements it presents to the General Shareholders' Meeting are prepared in accordance with accounting regulations.

The Audit and Compliance Committee performs oversight and control duties on the preparation and presentation of financial and non-financial information, with the following specific competences:

- To monitor and assess the preparation and presentation of all required financial and non-financial information of the Company and, as the case may be, the Endesa Group, as well as submitting recommendations or proposals to the Board of Directors with a view to safeguarding its integrity.
  - a) To review, analyse and discuss on an ongoing basis the financial statements and other relevant non-financial information with the management, the internal audit, the external auditor or, as the case may be, audit firm.
  - b) To assess, taking into account the different available sources of information, whether the Company has properly applied the accounting policies and to use its own judgement in reaching its own conclusions.
- As relates to non-financial information, the Committee shall propose to the Board of Directors the appointment of the independent verification provider responsible for verifying the information contained in the non-financial information statement.
- To report to the Board of Directors on the clarity and integrity of the regulated financial and non-financial information that the Company, due to its status as a listed company, is required to publish periodically:
  - a) An annual financial report including the annual financial statements and management reports both for the Company and its consolidated Group, reviewed by the auditor;
  - b) A consolidated Group non-financial information statement, following a report from the Sustainability and Governance Committee
  - c) A semi-annual financial report for the first six months of each financial year, including the abridged interim financial statements and the Company and consolidated Group Interim Management Reports;
  - d) Interim statements relating to the first and third quarters of each financial year containing an explanation of significant events and transactions that have taken place during the period from the beginning of the financial year up to the end of the relevant quarter, and including also a general statement on the financial position and results of the Company and its Consolidated Group.
- To monitor the effectiveness of internal controls on financial and non-financial information of the Company through the reports issued by the Internal Control unit, the Internal Audit unit, an independent third party (Deloitte) and in any case to make sure that these reports contain conclusions as to the degree of confidence and reliability of the system (ICFR) and to report these conclusions to the Board of Directors, as well as discussing with the External Auditor any significant weaknesses in the internal control system detected during the audit. To this end, if necessary, the Audit and Compliance Committee may present recommendations or proposals to the Board of Directors including the periods established for follow-up.
- Review, in collaboration with an independent third-party, and ensure that all financial and non-financial information published on the Company's website remains up to date and matches the information drawn up by the Company's directors and published, as the case may be and as so required, on the website of the CNMV.
- Ensure that the remuneration of the External Auditor for work completed does not compromise its quality or independence, verifying the limits on the concentration of the Auditor's business.
- oversee compliance with the audit agreement, regularly receiving information from the External Auditor on the audit plan and on the results of its implementation as well as on any other topics relating to the auditing process.
- Issue of a report expressing the opinion on the independence of the auditor, in accordance with article 529 (14) of the Corporate Enterprises Act.

In order to complete its oversight duties, the Audit and Compliance Committee shall prepare a final assessment of the auditor's performance, addressing its contribution to the quality of the audit and the comprehensiveness of the financial information. If based on this assessment of the auditor the Audit and Compliance Committee has unresolved concerns regarding the quality of the audit, the Committee shall consider notifying the Board of Directors and, if appropriate, shall notify such circumstance to the relevant oversight bodies.

Throughout the process and in accordance with recommendation 42.2 d) of the Code of Good Governance of listed companies, and by virtue of Article 33 of the Regulations of the Board of Directors, the Audit and Compliance Committee maintains a continuous objective, professional relationship with the Company's Auditor, respects its independence and ensures that all the information necessary for the development of its tasks is provided. For this purpose, throughout 2020, ERNST&YOUNG (outgoing auditor) and KPMG, S.L. (incoming auditor) appeared in various meetings before the Board of Directors and the Audit and Compliance Committee in order to report on the points indicated below:

-Presentation of the auditor (Ernst&Young) on the audit of the year: Favourable report on the Individual and Consolidated Financial Statements and Management Report for the year ended 31 December 2019. In addition, the external auditor, in accordance with Article 36 of the Accounts Auditing Act, presented and explained the content of the additional report for the Audit and Compliance Committee:

- Information on the work done in relation to the half-yearly results (KPMG). Limited review of the Financial Information of ENDESA, S.A. and subsidiaries for the six months to 30 June 2020.
- KPMG Auditor's Activity Plan for 2020

### C.1.29 Is the secretary of the Board also a director?

- Yes  
 No

If the secretary is not a director, complete the following table:

Name or company name of the secretary	Representative
FRANCISCO BORJA ACHA BESGA	

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### C.1.30 Indicate the specific mechanisms established by the company to safeguard the independence of the external auditors, and any mechanisms to safeguard the independence of financial analysts, investment banks and rating agencies, including how legal provisions have been implemented in practice.

In accordance with the provisions of article 51 of the Company's Bylaws, and the Regulations of the Audit and Compliance Committee, the Audit and Compliance Committee (CAC) is responsible for monitoring independence of the statutory auditor, and as such is required to:

- Liaise with the external auditors to receive information on all matters that may pose a threat to their independence, for examination by the Committee, and any other matters relating to the audit process and, when applicable, authorise services other than those prohibited, in the terms set out in the applicable regulations, on independence.
- Make recommendations to the Board of Directors for the selection, appointment, reappointment and replacement of the auditor, assuming responsibility for the selection process, as set out in the applicable regulations, and the terms of its engagement, and obtain regular information from the auditor on audit plan and its execution, as well as preserving its independence in the exercise of its functions.

For this reason the Committee, in accordance with the CNMV's Technical Guide on audit committees of public interest entities approved in 2018 a selection procedure for the auditor specifying the criteria or parameters to be assessed, from among a sufficient number of auditors and audit firms invited to participate by the audit committee itself

- The Audit and Compliance Committee shall, after assessing both threats to independence and the safeguard measures applied by the auditor, authorize the engagement of the External Auditor to provide non-audit services not classified as prohibited services under applicable law to the Company, its parent company or its controlled companies.

In this sense, it approved in January 2019 a policy on the provision of non-audit services and relations with the auditor that includes criteria defining its performance, among others, the prohibition of providing certain services by the auditor, the approval of the provision of non-audit services and the establishment of limits on the fees to be received by the auditor for non-audit services taking into account the provisions of European and national legislation.

In financial year 2020, the Audit and Compliance Committee, in order to ensure the independence of the external auditor and in accordance with the policy for the provision of non-audit services and relations with the statutory auditor:

- Approved, at its meeting on 24 February 2020, prior to issuance of the statutory auditor's report and in accordance with Article 529 quaterdecies of the Spanish Corporate Enterprises Act, Spanish Securities Market Commission (CNMV) Technical Guidelines 3/2017 and Endesa's Policy for the Provision of Non-Audit Services and Relations with the Statutory Auditor, approved a report expressing an opinion on the independence of the statutory auditor. This report concluded that the additional services rendered by Ernst & Young during fiscal year 2019 and the network through which it operates in Endesa, S.A. and its group companies do not compromise, to the best of its knowledge, the independence of said audit firm. Furthermore, the external auditor presented a letter expressing its independent status.

- Approved and reported to the Board of Directors on the additional services, including the applicable budgets for such services, provided by the audit firm KPMG, as well as, in the interest of transparency, by Ernst & Young –who was the Company's statutory auditor until financial year 2019, until the end of the transition period with the new auditor, KPMG (June 2020). Endesa requires that the external auditor provide a certificate of independence for each additional service rendered prior to the approval thereof by the Audit and Compliance Committee, in which the auditor confirms that, to the best of its knowledge, the services comply with relevant rules on independence. Likewise, in accordance with the policy for the provision of additional services, approval by the Administration, Finance and Control Department, the Audit Department and the Secretary General is required.

- Received the independence statement from the new external auditor KPMG at its meeting in January 2020, evidencing its effective independence as at the start of the period for which KPMG will serve as Endesa's statutory auditor.

The Committee, to meet its oversight duties relating to the statutory auditor's performance and its contribution to audit quality and integrity of the financial information, at its meeting in June 2020, issued the final Assessment Report of the statutory auditor's performance, based on the work and opinion of the Administration, Finance and Control Department and the Audit Department. In preparing the assessment report, the Committee focused its assessment on an analysis of the following criteria: frequency and quality of communications, independence of the statutory auditor, Management's opinion on the statutory auditor, transparency report of the statutory auditor, public results of the quality controls completed by the supervisory bodies and other available information.

Additionally, and in accordance with the Action Protocol for Relations between Endesa and Enel approved by Endesa's Board of Directors on 21 September 2020, Endesa's Audit and Compliance Committee shall, as relates to the services provided to Enel by Endesa's statutory auditor or by any other company within the same network, request the following from the auditor each year prior to preparation of the annual financial statements:

- A statement declaring that neither the statutory auditor nor any members of its network have provided to ENEL during the audited year any of the services prohibited by applicable regulations.
- A statement in which non-audit services of any kind provided to ENEL during the audited year and the corresponding fees paid thereby to the External Auditor or to persons or entities related thereto are individually outlined in accordance with the provisions of the regulations governing statutory auditing activities, expressly confirming the percentage of fees for non-audit services as compared to audit services.
- Confirmation that the auditor has issued an individual certificate of independence for each of the non-audit services other than the audit services provided to ENEL by the auditor or by any organization within the auditor's network.
- A statement verifying that it has internal Policies and Procedures in place to ensure that the Audit Firm and its staff (including staff within its Network) maintain independence as required by applicable regulations and to ensure that the procedures include measures aimed at identifying and assessing any threats to independence, as well as the results of application of these Policies and Procedures during the audited year.
- A statement confirming that each of the non-audit services performed for ENEL have been authorized by ENEL's *Collegio Sindacale*, either directly or through a pre-approval process.

There are no relations other than those deriving from professional activities with financial analysts, investment banks or credit rating agencies.

### C.1.31 Indicate whether the company changed its external auditor during the year. If so, identify the incoming and outgoing auditors:

- Yes  
 No

Outgoing auditor	Incoming auditor
ERNST & YOUNG S.L.	KPMG AUDITORES, S.L.

The General Shareholders' Meeting of Endesa held on 12 April 2019 resolved, at the proposal of the Board of Directors, to appoint KPMG Auditores, S.L. as auditor of the individual and consolidated financial statements of ENDESA, S.A., as well as the limited review of the half-yearly financial statements for the 2020-2022 period, in accordance with the recommendation made by the Audit and Compliance Committee, after a selection process conducted in accordance with the law.



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If there were any disagreements with the outgoing auditor, explain their content:

- Yes  
 No

C.1.32 Indicate whether the audit firm performs any non-audit work for the company and/or its group and, if so, state the amount of fees it received for such work and express this amount as a percentage of the total fees invoiced to the company and/or its group for audit work:

- Yes  
 No

	Company	Group companies	Total
Amount invoiced for non-audit services (thousands of euros)	305	16	321

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	Company	Group companies	Total
Amount invoiced for non-audit work/Amount for audit work (in %)	19.96	2.10	14.02

C.1.33 Indicate whether the auditors' report on the financial statements for the preceding year contains a qualified opinion or reservations. If so, indicate the reasons given to shareholders at the general meeting by the chairman of the audit committee to explain the content and extent of the qualified opinion or reservations.

Yes  
 No

C.1.34 Indicate the number of consecutive years for which the current audit firm has been auditing the company's individual and/or consolidated financial statements. Also, indicate the number of years audited by the current audit firm as a percentage of the total number of years in which the financial statements have been audited.

	Individual	Consolidated
Number of consecutive years	1	1

	Individual	Consolidated
Number of years audited by the current audit firm/number of years in which the company has been audited (in %)	7.50	9.09

KPMG, S.L. also served as the company's statutory auditor in financial years 2009 and 2010.

C.1.35 Indicate whether there is a procedure for directors to be sure of having the information necessary to prepare the meetings of the governing bodies with sufficient time; provide details if applicable:

Yes  
 No

**Details of the procedure**

The Board of Directors' Regulations stipulate that the call to meeting of the Board shall be made with the required notice, at least 48 hours before the date set for the meeting, to each of the directors and shall include the agenda, clearly identifying the items on which the Board of Directors is required to make a decision or adopt a resolution so that the directors may study or gather, in advance, the information required to make such decisions. Also, the minutes of the previous meeting shall be attached.

Directors have an IT application to handle documents for Board meetings and Committee meetings online, facilitating the right to information and availability and access thereto.

In line with the Board of Directors Regulations, Directors, as required to perform their duties, have access to all of the Company's services and have a duty to request, and the right to gather, all information from the Company which may be appropriate or necessary in order to perform their duties, as well as any advising required in relation to any matter. The right to information also covers investees, requests being made to the Chairman, through the Board Secretary, and the information being conveyed by the CEO.

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Furthermore, the Board may request information on the actions of Senior Management of the Company and may ask for such explanations as it sees fit. Such requests shall be made by the Chairman through the Board Secretary and shall be conveyed by the Managing Director.

C.1.36 Indicate whether the company has established rules obliging directors to inform the Board of any circumstances, whether or not related to their actions in the company itself, that might harm the company's standing and reputation, tendering their resignation where appropriate. If so, provide details:

Yes  
 No

### Explain the rules

Directors must tender their resignation when they come under any of the cases established by Article 12.2 of the Board of Directors' Regulations: if they are involved in any circumstance of incompatibility or prohibition provided by law, the Corporate Bylaws or these Regulations; if any shareholder represented by the director fully transfers or decreases his/her shareholding. In this last case, the number of shareholder-appointed directors shall be reduced accordingly; or if they are affected by any other situations, whether or not related to their actions in the Company, that could seriously impair the Company's image or reputation.

Additionally, pursuant to Article 28 bis of the Board of Directors' Regulations, Directors shall notify the Company, via the Board Secretary, of: (a) any direct or indirect conflict of interest between them and the Company; (b) any domestic or foreign investigations or criminal claims opened in which they are defendants, whether or not related to their actions in the Company, as well as of all developments in said cases and proceedings, and of any other situation by which the director is affected and which could impair the Company's value or reputation; and (c) in general, any fact or circumstance that could be relevant to his/her conduct as a director of the Company.

The Secretary shall report such circumstances to the Chairman of the Board of Directors and, depending on the matter, to the Chairman of the Appointments and Compensation Committee or the Chairman of the Audit and Compliance Committee, such that, taking into account the specific circumstances, the appropriate Committee may report or make such proposals as deemed appropriate to the Board of Directors.

When a director reports any of the circumstances referred to above in sections b) or c), or if the Board becomes aware of such circumstances of a director by any other means, the Board of Directors shall assess the circumstances as soon as possible and, taking into account the specific circumstances, shall decide, following the proposal or report of the Appointments and Compensation Committee, whether to adopt any measures, such as opening an internal investigation or requesting the resignation or proposing the removal of the director, and shall report on such measures in the annual corporate governance report, unless there are special circumstances justifying such a situation, in which case such circumstances shall be recorded in the minutes.

C.1.37 Indicate whether, apart from such special circumstances as may have arisen and been duly minuted, the Board of Directors has been notified or has otherwise become aware of any situation affecting a director, whether or not related to his or her actions in the company itself, that might harm the company's standing and reputation:

Yes  
 No

C.1.38 Detail any material agreements entered into by the company that come into force, are modified or are terminated in the event of a change in control of the company following a public takeover bid, and their effects.

At 31 December 2020, ENDESA, S.A. has loans and other borrowings from banks and ENEL Finance International, N.V. for an amount equivalent to €7,053 million, with an outstanding nominal debt of €5,103 million, which might have to be repaid early in the event of a change of control of ENDESA, S.A. Also, certain ENDESA subsidiaries that operate in the renewable energy business, and which are financed through project finance have financial debt of €79 million, in addition to associated derivatives with a negative net market value of €2 million, which might have to be settled early if there is a change of control of ENDESA.

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C.1.39 Identify individually as regards directors, and in aggregate form in other cases, and provide details of any agreements between the company and its directors, executives or employees containing indemnity or golden parachute clauses in the event of resignation or dismissal without due cause or termination of employment as a result of a takeover bid or any other type of transaction.

Number of beneficiaries	18
Type of beneficiary	Description of the agreement
Executive Directors, Senior Managers and Managers	<p>These types of clauses have been approved by the Board of Directors following the report of the Appointments and Remuneration Committee and provide for termination benefits in the event of termination of the employment relationship and a post-contractual non-competition clause. With regard to management personnel, although this type of termination clause is not the norm, the contents of cases in which it arises are similar to the scenarios of general employment relationships. Additionally, the Remuneration Policy establishes that when new directors are included, a maximum number of two years of total annual remuneration will be set as payment for contract termination, applicable in any case in the same terms to the Executive Director contracts. The general regime of these clauses for senior managers is as follows: Termination of the employment relationship: - By mutual agreement: termination benefit equal to an amount from 1 to 3 times the annual remuneration, on a case-by-case basis. - At the unilateral decision of the executive: no entitlement to termination benefit, unless the decision to terminate the employment relationship is based on the serious and culpable breach by the Company of its obligations, the position is eliminated, or in the event of a change of control or any of the other causes for compensation for termination foreseen in Royal Decree 1382/1985. - As a result of termination by the Company: termination benefit equal to that described in the first point. - At the decision of the Company based on the serious wilful misconduct or negligence of the executive in discharging his or her duties: no entitlement to termination benefit. These conditions are alternatives to those arising from changes to the pre-existing employment relationship or its termination due to early retirement for Senior Managers. Post-contractual non-competition clause: In the vast majority of contracts, senior management personnel are required not to engage in a business activity in competition with ENDESA for a period of two years; as consideration, the executive is entitled to an amount of up to 1x the annual fixed remuneration. The contract signed with the Chief Executive Officer does not provide compensation for termination of office. Notwithstanding the foregoing, when the Chief Executive Officer ceases in his position, his previous relationship, that is his senior management contract, suspended since his appointment as Chief Executive Officer, will be automatically terminated, in which case, due to the termination of his employment relationship as senior management, Mr. Bogas will be entitled to receive a net amount of Euros 6,527,000, this amount being the result of reducing the gross compensation that he has consolidated by the amount of withholdings on account of the IRPF personal income tax and, where appropriate, the Social Security contributions applicable at the date of payment. This remuneration is incompatible with any other indemnity payment that may arise from termination of his employment as Director. This net amount of Euros 6,527,000 includes the two-year post-contractual non-competition agreement included in the CEO's senior management contract. This remuneration is compatible with the CEO's defined benefit saving scheme. Termination in the event of death or retirement recognises the right of the CEO or his heirs and assigns to the guaranteed compensation.</p>

Indicate whether, beyond the cases established by legislation, these agreements have to be communicated and/or authorised by the governing bodies of the company or its group. If so, specify the procedures, the cases concerned and the nature of the bodies responsible for their approval or communication:

Board of Directors	General shareholders' meeting
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Body authorising the clauses	√	
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	Yes	No
Are these clauses notified to the General Shareholders' Meeting?	√	

**C.2. Committees of the Board of Directors**

C.2.1 Provide details of all committees of the Board of Directors, their members, and the proportion of executive, proprietary, independent and other external directors forming them:

AUDIT AND COMPLIANCE COMMITTEE		
Name	Position	Category
FRANCISCO DE LACERDA	CHAIRMAN	Independent
MARÍA EUGENIA BIETO CAUBET	DIRECTOR	Independent
PILAR GONZÁLEZ DE FRUTOS	DIRECTOR	Independent
ALBERTO DE PAOLI	DIRECTOR	Proprietary
MIQUEL ROCA JUNYENT	DIRECTOR	Independent

% of executive directors	0.00
% of proprietary directors	20,00
% of independent directors	80,00
% of other external directors	0.00

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Explain the functions delegated or assigned to this committee, other than those that have already been described in Section C.1.9, and describe the rules and procedures for its organisation and functioning. For each of these functions, briefly describe its most important actions during the year and how it has exercised in practice each of the functions assigned to it by law, in the articles of incorporation or in other corporate resolutions.

The Audit and Compliance Committee shall comprise a minimum of three and a maximum of six Board members, appointed at the proposal of the Appointments and Remunerations Committee and with the favourable vote of the majority of the Board itself. The Committee shall consist exclusively of non-executive directors, the majority of whom must be independent directors.

Members of the Committee shall serve a term of office of four years and they may be re-elected for periods of like duration.

The Board of Directors shall aim to appoint members to the Audit and Compliance Committee such that the members as a whole have knowledge and experience in financial and non-financial accounting, auditing, finances, internal control and risk management. As a whole, members of the Committee shall have relevant technical knowledge in terms of the electricity and gas industries in which the Company operates.

The Chairman of the Audit and Compliance Committee shall be appointed by the Board of Directors from among the independent directors sitting on the Committee, with the favourable vote of the majority of the Board itself, and taking into account their knowledge and experience in financial and non-financial accounting, auditing and risk management. The Chairman must be replaced every four years but may be re-elected after one year has elapsed from his vacating the office.

The Committee shall meet as often as convened by its Chairman, when so resolved by the majority of its members or at the request of the Board of Directors. The Committee shall pass resolutions in accordance with the Audit and Compliance Committee Regulations, and its meetings shall be held at the registered offices or such other location as may be determined by the Chairman and stated in the meeting notice. Committee meetings will be validly constituted when the majority of its members are present in person or by proxy. Resolutions must be passed by a majority vote of the directors attending the meeting. In the event of a tie, the Chairman or acting Chairman shall have the casting vote. The Committee may seek external advice when it deems necessary for the performance of its duties.

The Board Secretary shall serve as the Secretary of the Committee, who shall draw up minutes of all meetings and resolutions passed, which shall be reported to the Board. The minutes shall be made available to all members of the Board of Directors.

The main function of this Committee is to advise the Board of Directors and to supervise and control the processes of preparation and presentation of financial and non-financial information, the independence of the statutory auditor and the effectiveness of the internal risk control and management systems, as well as reporting to the Board of Directors on related party transactions. These duties shall be deemed to be without limitation and notwithstanding such other duties as may be set forth in the Audit and Compliance Committee Regulations or applicable law, or as entrusted to the Committee by the Board of Directors.

It should be noted that Endesa's Board of Directors approved, effective 1 September 2020, the formation of a Sustainability and Governance Committee, attributing the main corporate governance and sustainability responsibilities of the Audit and Compliance Committee to said Sustainability and Governance Committee.

The most important actions of the Committee during 2020 included: informing the Board on the Financial and Non-Financial Information of the Company; supervising the internal risk control and management systems; reporting on amendment of the General Risk Control and Management Policy; overseeing the Audit Department's self-assessment for financial year 2019; as relates to the independence of the new external auditor, KPMG, received the auditor's independence statement, 2020 activity plan and the Audit Transition Plan between E&Y and KPMG; reported on the proposed amendments to the Audit and Compliance Committee Regulations, Board of Directors Regulations and Policy on Communications with Shareholders and Investors; and reporting to the Board on related party transactions.

All the activities of the Audit and Compliance Committee in 2020 are detailed in the Audit and Compliance Committee Activity Report published on the company's website.

Identify the directors who are members of the audit committee and have been appointed taking into account their knowledge and experience in accounting or audit matters, or both, and state the date on which the Chairperson of this committee was appointed.

Names of directors with experience	FRANCISCO DE LACERDA / MARÍA EUGENIA BIETO CAUBET / PILAR GONZÁLEZ DE FRUTOS / ALBERTO DE PAOLI / MIQUEL ROCA JUNYENT
Date of appointment of the chairperson	01/09/2020

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APPOINTMENTS AND REMUNERATIONS COMMITTEE		
Name	Position	Category
IGNACIO GARRALDA RUIZ DE VELASCO	CHAIRMAN	Independent
MARÍA EUGENIA BIETO CAUBET	DIRECTOR	Independent
ANTONIO CAMMISECRA	DIRECTOR	Proprietary
ALEJANDRO ECHEVARRÍA BUSQUET	DIRECTOR	Independent
PILAR GONZÁLEZ DE FRUTOS	DIRECTOR	Independent

% of executive directors	0.00
% of proprietary directors	20.00
% of independent directors	80.00
% of other external directors	0.00

Explain the functions assigned to this committee, including where applicable those that are additional to those prescribed by law, and describe the rules and procedures for its organisation and functioning. For each of these functions, briefly describe its most important actions during the year and how it has exercised in practice each of the functions assigned to it by law, in the articles of incorporation or in other corporate resolutions.

The Appointments and Remunerations Committee (CNR) shall be comprised of a minimum of three and a maximum of six non-executive Directors from the Board of Directors, appointed with the favourable vote of the majority of the Board itself, and the majority of whom shall be Independent Directors. The members of the Appointments and Remunerations Committee will serve in their positions for a term of four years and may be reappointed for periods of the same duration. The Board of Directors shall aim to appoint members to the Appointments and Remunerations Committee based on their knowledge, skills and experience. The Chairman of the Appointments and Remunerations Committee shall be appointed from among the independent directors on the Committee by the favourable vote of the majority of the Board of Directors. The Appointments and Remunerations Committee will meet as often as convened by its Chairman, when so resolved by the majority of its members or at the request of the Board of Directors. Committee meetings shall take place at the Company's registered offices or at such other location as may be determined by the Chairman and stated in the meeting notice. Committee meetings shall be validly assembled when the majority of its members are in attendance, in person or by proxy. Resolutions must be passed by a majority vote of the Directors attending the meeting. In the event of a tie, the Chairman or Acting Chairman shall have the casting vote. As deemed necessary for the performance of its duties, the Appointments and Remunerations Committee may seek external advice. The Board Secretary shall serve as the Secretary of the Committee, who shall draft minutes for all meetings and resolutions passed, which shall be reported to the Board. The minutes shall be made available to all members of the Board of Directors. The Appointments and Remunerations Committee may call a meeting with any employee or executive of the company. This duty shall be exercised through the Secretary of the Board of Directors. The main role of the Appointments and Remunerations Committee is to advise the Board of Directors and to monitor, inter alia, all matters related to the selection, appointment and definition of the compensation scheme for directors and senior officers. In any case, the Board of Directors may assign other duties to the Appointments and Remunerations Committee not reserved to another body by virtue of law, the Bylaws or the Board of Directors Regulations.

The main actions of the Committee during 2020 included:

Reported to the Board of Directors on the proposals for the appointment of Eugenia Bieto Caubet, Pilar González de Frutos, and Alicia Koplowitz y Romero de Juseu as independent directors; ratification and reappointment of Antonio Cammisecra as shareholder-appointed director; resignation of the independent director Helena Revoredo Delvecchio; the departure of Senior Management including the removal of José Luis Puche Castillejo as GM Media and Andrea Lo Faso as GM People and Organization; appointment to Senior Management of Pablo Azcoitia Lorente as GM Media, Ignacio Mateo Montoya as GM Supply and Paolo Bondi as GM People and Organization.

Proposed the update and implementation of the 2020 Director Induction Program and specific training for the Audit and Compliance Committee members.

Reported on and/or proposed to the Board of Directors, inter alia, the compensation items for the Executive Management Committee; variable compensation of senior officers; annual report on remuneration of directors; verification of applicable compensation for financial year 2019; approval of a verification procedure for malus and claw-back clauses; verification of compliance with Endesa's Candidate Director Selection Policy; updates to Endesa's Director Candidate Selection and Diversity Policy; assessment of the Committee and the Board for financial year 2020 with the support of an external advisor; and approval of the Committee's annual activity report.

All the activities of the Appointments and Remunerations Committee in 2020 are detailed in the Appointments and Remunerations Committee Activity Report published on the company's website.

SUSTAINABILITY AND GOVERNANCE COMMITTEE		
Name	Position	Category
JUAN SÁNCHEZ-CALERO GUILARTE	CHAIRMAN	Independent
MARIA PATRIZIA GRIECO	DIRECTOR	Proprietary

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ALICIA KOPLOWITZ ROMERO DE JUSEU	DIRECTOR	Independent
MIQUEL ROCA JUNYENT	DIRECTOR	Independent

% of executive directors	0.00
% of proprietary directors	25.00
% of independent directors	75.00
% of other external directors	0.00

Describe any other duties delegated or attributed to this committee not already described in section C.1.9. and describe the procedures and rules followed regarding their organization and functioning. For each such duty please identify the most significant actions taken during the financial year and how each of the duties attributed by law, the bylaws or any other corporate resolutions were exercised in practice.

The Sustainability and Governance Committee (SGC) shall be comprised of a minimum of three and a maximum of six members of the Board of Directors. The Committee shall be exclusively comprised of non-executive directors, the majority of which shall be independent directors. The SGC members shall serve in their positions for a term of four years and may be reappointed for periods of the same duration. The Board of Directors shall aim to appoint members to the SGC based on their knowledge, skills and experience. The Chairman of the Committee shall be appointed from among the independent directors on the Committee by the favourable vote of the majority of the Board of Directors. The SGC shall meet as often as convened by its Chairman, when so resolved by the majority of its members or at the request of the Board of Directors. Committee meetings shall take place at the Company's registered offices or at such other location as may be determined by the Chairman and stated in the meeting notice. Committee meetings shall be validly assembled when the majority of its members are in attendance, in person or by proxy. Resolutions must be passed by a majority vote of the Directors attending the meeting. In the event of a tie, the Chairman or Acting Chairman shall have the casting vote. As deemed necessary for the performance of its duties, the Committee may seek external advice. The Board Secretary shall serve as the Secretary of the Committee, who shall draft minutes for all meetings and resolutions passed, which shall be reported to the Board. The minutes shall be made available to all members of the Board of Directors. The Sustainability and Governance Committee may call a meeting with any employee or executive of the company. This duty shall be exercised through the Secretary of the Board of Directors.

The main role of the Sustainability and Governance Committee is to advise the Board of Directors on and to monitor, inter alia, all environmental, sustainability, human rights and diversity matters in relation to the strategy for social action, as well as on the scope of the Company's corporate governance strategy. In any case, the Board of Directors may assign other duties to the Sustainability and Governance Committee not reserved to another body by virtue of law, the Bylaws or the Board of Directors Regulations.

The Sustainability and Governance Committee was established on 1 September 2020. The most significant actions of the Committee in financial year 2020 included: Reported to the Board of Directors on preparation of the Sustainability and Governance Committee Regulations; assessed compliance with the recommendations of the 2020 Code of Good Governance; reported to the Board of Directors on amendment of the Sustainability Policy; received information on the listing and position of the Endesa Group on the most widely recognized international sustainability indexes; monitored and received information on Endesa's gender diversity and equal opportunities policies, as well as on actions taken by the Company in this area, and on the implementation of disability integration policies at Endesa; acknowledged the actions taken as part of Endesa's Public Responsibility Plan.



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C.2.2 Complete the following table with information regarding the number of female directors who were members of Board committees at the close of the past four years:

	Number of female directors							
	2020		2019		2018		2017	
	Number	%	Number	%	Number	%	Number	%
AUDIT AND COMPLIANCE COMMITTEE	2	40.00	1	16.65	1	16.65	1	16.65
NOMINATION AND REMUNERATIONS COMMITTEE	2	40.00	1	16.65	1	16.65	1	16.65
SUSTAINABILITY AND GOVERNANCE COMMITTEE	2	50.00	N/A	N/A	N/A	N/A	N/A	N/A

C.2.3 Indicate, where applicable, the existence of any regulations governing Board committees, where these regulations are to be found, and any amendments made to them during the year. Also indicate whether any annual reports on the activities of each committee have been voluntarily prepared.

#### AUDIT AND COMPLIANCE COMMITTEE

The Audit and Compliance Committee is regulated by the Bylaws, the Regulations of the Board of Directors and the Regulations of the Audit and Compliance Committee. The Audit Committee prepares, inter alia, the annual activity report of the Audit and Compliance Committee.

On 28 September the Board of Directors approved an amendment to the Committee Regulations, primarily as a result of the amendments to the Good Governance Code for Listed Companies and of the establishment of the Sustainability and Governance Committee, which made it necessary to formally transfer to the new Committee certain duties and responsibilities relating to sustainability and corporate governance previously held by the Audit and Compliance Committee.

These key amendments to the Regulations are discussed herein below and grouped by Title of the Regulations:

- Audit and Compliance Committee Composition (Articles 4 to 6): added more demanding knowledge and experience requirements for Committee members and redistribution of duties as a result of the establishment of the Sustainability and Governance Committee.
- Committee Proceedings and Meetings (Article 9 to 14): introduced amendments that incorporate technical improvements to the regulation of meetings held remotely or using other means of distance communication.
- Duties (Articles 15 to 24): transfer of the majority of these duties to the recently established Sustainability and Governance Committee. However, certain corporate governance duties related to the responsibilities of the Audit and Compliance Committee will remain the duties of said Committee.
- Audit and Compliance Committee Powers and Duties (Articles 25 to 28): specifies that the assessment of the Committee will be carried out in coordination with the Appointments and Compensation Committee.

#### APPOINTMENTS AND REMUNERATION COMMITTEE

The Appointments and Remuneration Committee is regulated in the Bylaws, the Regulations of the Board of Directors and, from 28 September 2020, the Appointments and Remuneration Committee Regulations.

The Board established the Appointments and Remuneration Committee Regulations based on the completed analysis and in accordance with Technical Guidelines 1/2019 on Appointments and Remuneration Committees, which provides, in relation to the adequate and effective operation of these Committees, that, as with Audit Committees, Appointments and Remuneration Committees shall have their own Regulations approved by the Board of Directors, detailing their powers and proceedings. Endesa's Audit and Compliance Committee has had its own Regulations since October 2016. It was therefore logical, as well as a good corporate governance practice, that Endesa's Appointments and Remuneration Committee should also have its own Regulations. Furthermore, an analysis of the Ibx 35 Companies revealed that twelve Companies have Appointments and Compensation Committee Regulations.

The main role of the Appointments and Remuneration Committee is to advise the Board of Directors and to monitor, inter alia, all matters related to the selection, appointment and definition of the compensation scheme for directors and senior officers.

The Appointments and Remuneration Committee prepares an Activity Report annually.

#### SUSTAINABILITY AND GOVERNANCE COMMITTEE

The Company established the Sustainability and Governance Committee on 1 September 2020.

The Committee is governed by the Bylaws, the Board of Directors Regulations and also has its own Regulations approved by the Board on 28 September 2020.



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The main role of the Sustainability and Governance Committee is to advise the Board of Directors on and to monitor, inter alia, all environmental, sustainability, human rights and diversity matters in relation to the strategy for social action, as well as on the scope of the Company's corporate governance strategy.

The Sustainability and Governance Committee prepares an Activity Report annually.

The documents referred to above may be consulted on the Company's website ([www.endesa.com](http://www.endesa.com)).

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### D. RELATED PARTY AND INTRAGROUP TRANSACTIONS

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#### D.1. Describe, if applicable, the procedure and competent bodies for the approval of related party and intragroup transactions.

The Procedure for approving related party transactions is set out in the ENDESA Related Party Transactions Regulations.

Procedure for requesting approval for related party transactions with Directors:

1. ENDESA Directors must request prior approval from the Board of Directors, through the General Secretary, for any transaction that they or their related persons intend to carry out with ENDESA or with any company in the ENDESA Group.
2. If the Secretary is a Director and is also the person requesting approval, the request will be addressed to the Chairman of the Board of Directors.
3. The request must indicate: (a) the Director or the person linked to the Director who intends to carry out the transaction and the nature of the relationship; (b) the identity of the ENDESA Group company with which the transaction would be carried out; (c) the object, amount and main terms and conditions of the transaction; (d) the reasons for the transaction; (e) any other information or circumstance considered relevant for evaluating the transaction.
4. Without prejudice to the provisions of section 1 above, Senior Managers who are aware of the possible execution of a related party transaction with Directors or related persons, shall report this to the Secretary General of the Board of Directors and the General Manager of Administration, Finance and Control of ENDESA.

Procedure for requesting approval of related party transactions with significant shareholders:

1. Transactions that ENDESA or ENDESA Group companies carry out with significant shareholders or persons related to them must be approved by the Board of Directors on the basis of a report by the Audit and Compliance Committee.
2. ENDESA Group Senior Management must request approval from the Board of Directors, through the General Secretary and the Board of Directors, for any transaction that ENDESA or any ENDESA Group company intends to perform with significant shareholders or their related parties. Likewise, Senior Managers must inform the General Manager for Administration, Finance and Control of ENDESA of said request.
3. The request must indicate: (a) the significant shareholder or the person linked to the significant shareholder who intends to carry out the transaction and the nature of the relationship; (b) the identity of the ENDESA Group company with which the transaction would be carried out; (c) the object, amount and main terms and conditions of the transaction; (d) the reasons for the transaction; (e) any other information or circumstance considered relevant for evaluating the transaction.

Approval of the transaction by the Board of Directors:

1. When the transaction must be approved by the Board of Directors, the Secretary General and the Board of Directors shall request the corresponding report from the Audit and Compliance Committee, sending the information collected for this purpose.
2. The Audit and Compliance Committee will analyse this information and issue a report on the transaction, for which purpose, through the Secretary General and the Board of Directors, it may request such additional information as it considers appropriate. In accordance with the provisions of the Board of Directors' Regulations, the Audit and Compliance Committee may use any external advisors it deems fit to issue this report.
3. The Audit and Compliance Committee report will be submitted to the Board of Directors so that it may rule as appropriate in relation to authorising the transaction.
4. In urgent circumstances, duly justified, the CEO may approve the transaction, which must be ratified at the first Board meeting held after the decision is adopted.

Obligation of Directors to abstain from participating in decision-making:

Directors intending to perform the transaction or who are related to the person who intends to perform it, or a Directors who is also the significant shareholder affected or is related to such significant shareholder, and also any Directors who have been appointed at the request of the aforementioned significant shareholder or who, for any other reason, are affected by a conflict of interest must abstain from participating in the deliberation and voting on the agreement in question, so that the independence of the Directors approving the related party operation is guaranteed.

For related party transactions with Directors and with significant shareholders, the approval of the Board of Directors will not be required for related party operations with Directors and their related parties that also satisfy all the following requirements (although they must be reported to the General Secretary of the Board of Directors): they are governed by standard form contracts applied on an across-the-board basis to a large number of clients; they are carried out at prices or tariffs established generally by the supplier of the good or service in question; and they are transactions of little significance, understood as those not requiring to be reported in order to express a true and fair view of ENDESA's assets, financial position and results. In any case, it can be considered of little significance only if its amount does not exceed one percent of ENDESA's annual revenues.

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D.2. Describe any transactions that are significant, either because of the amount involved or the subject matter, entered into between the company or entities within its group and the company's significant shareholders:

Name or company name of significant shareholder	Name or company name of the company or entity within its group	Nature of the relationship	Type of transaction	Amount (thousands of euros)
ENEL IBERIA SRL	EDISTRIBUCIÓN REDES DIGITALES S.L.	Contractual	Operating lease agreements	219
ENEL IBERIA SRL	EDISTRIBUCIÓN REDES DIGITALES S.L.	Contractual	Provision of services	280
ENEL IBERIA SRL	ENDESA ENERGÍA, S.A.	Contractual	Sale of finished or unfinished goods	2
ENEL IBERIA SRL	ENDESA FINANCIACIÓN FILIALES, S.A.	Contractual	Interest charges	65
ENEL IBERIA SRL	ENDESA MEDIOS Y SISTEMAS, S.L.	Contractual	Operating lease agreements	699
ENEL IBERIA SRL	ENDESA MEDIOS Y SISTEMAS, S.L.	Contractual	Provision of services	276
ENEL IBERIA SRL	ENDESA,S.A.	Contractual	Dividends and other distributed profits	1,094,739
ENEL IBERIA SRL	ENDESA,S.A.	Contractual	Management agreements	811
ENEL IBERIA SRL	ENDESA,S.A.	Contractual	Provision of services	87
ENEL, S.P.A.	DISTRIBUIDORA ELÉCTRICA DEL PUERTO DE LA CRUZ	Contractual	Management agreements	14
ENEL, S.P.A.	EDISTRIBUCIÓN REDES DIGITALES S.L.	Contractual	Management agreements	14,853
ENEL, S.P.A.	EDISTRIBUCIÓN REDES DIGITALES S.L.	Contractual	Provision of services	15,851
ENEL, S.P.A.	EDISTRIBUCIÓN REDES DIGITALES S.L.	Contractual	Purchase of finished or unfinished goods	1,191
ENEL PRODUZIONE SPA	EDISTRIBUCIÓN REDES DIGITALES S.L.	Contractual	Provision of services	137
ENEL, S.P.A.	EDISTRIBUCIÓN REDES DIGITALES S.L.	Contractual	Purchase of tangible assets	3,138
ENEL, S.P.A.	ENEL GREEN POWER ESPAÑA	Contractual	Management agreements	3,663
ENEL, S.P.A.	ENEL GREEN POWER ESPAÑA	Contractual	Services received	4,196
ENEL, S.P.A.	ENEL GREEN POWER ESPAÑA	Contractual	Provision of services	8,717

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Name or company name of significant shareholder	Name or company name of the company or entity within its group	Nature of the relationship	Type of transaction	Amount (thousands of euros)
ENEL, S.P.A.	ENEL GREEN POWER ESPAÑA	Contractual	Purchase of tangible assets	2,920
ENEL, S.P.A.	EMPRESA CARBONÍFERA DEL SUR, S.A.	Contractual	Management agreements	17
ENEL, S.P.A.	EMPRESA CARBONÍFERA DEL SUR, S.A.	Contractual	Services received	1
ENEL, S.P.A.	EMPRESA CARBONÍFERA DEL SUR, S.A.	Contractual	Provision of services	3
ENEL, S.P.A.	EMPRESA CARBONÍFERA DEL SUR, S.A.	Contractual	Other	3
ENEL, S.P.A.	ENDESA DISTRIBUCIÓN ELÉCTRICA, S.L.	Contractual	Purchase of tangible assets	87
ENEL, S.P.A.	ENDESA, ENERGÍA, S.A.	Contractual	Interest charges	1,049
ENEL, S.P.A.	ENDESA ENERGÍA, S.A.	Contractual	Management agreements	2,863
ENEL, S.P.A.	ENDESA ENERGÍA, S.A.	Contractual	Operating lease agreements	29
ENEL, S.P.A.	ENDESA ENERGÍA, S.A.	Contractual	Services received	11,256
ENEL, S.P.A.	ENDESA ENERGÍA, S.A.	Contractual	Purchase of finished or unfinished goods	235,462
ENEL, S.P.A.	ENDESA ENERGÍA, S.A.	Contractual	Other	9,856
ENEL, S.P.A.	ENDESA ENERGÍA, S.A.	Contractual	Interest paid	4
ENEL, S.P.A.	ENDESA ENERGÍA, S.A.	Contractual	Provision of services	646
ENEL, S.P.A.	ENDESA ENERGÍA, S.A.	Contractual	Sale of finished or unfinished goods	86,264
ENEL, S.P.A.	ENDESA ENERGÍA, S.A.	Contractual	Purchase of tangible assets	4,220
ENEL, S.P.A.	ENDESA GENERACIÓN II, S.A.	Contractual	Services received	3
ENEL, S.P.A.	ENDESA GENERACIÓN DE PORTUGAL, S.A.	Contractual	Management agreements	5
ENEL, S.P.A.	ENDESA GENERACIÓN, S.A.	Contractual	Interest charges	2,716
ENEL, S.P.A.	ENDESA GENERACIÓN, S.A.	Contractual	Management agreements	9,988
ENEL, S.P.A.	ENDESA GENERACIÓN, S.A.	Contractual	Services received	3,365
ENEL, S.P.A.	ENDESA GENERACIÓN, S.A.	Contractual	Purchase of finished or unfinished goods	6

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Name or company name of significant shareholder	Name or company name of the company or entity within its group	Nature of the relationship	Type of transaction	Amount (thousands of euros)
ENEL, S.P.A.	ENDESA GENERACIÓN, S.A.	Contractual	Other	745,489
ENEL, S.P.A.	ENDESA GENERACIÓN, S.A.	Contractual	Interest paid	2,352
ENEL, S.P.A.	ENDESA GENERACIÓN, S.A.	Contractual	Provision of services	393
ENEL, S.P.A.	ENDESA GENERACIÓN, S.A.	Contractual	Sale of finished or unfinished goods	6,175
ENEL, S.P.A.	ENDESA GENERACIÓN, S.A.	Contractual	Purchase option commitments	95,638
ENEL, S.P.A.	ENDESA GENERACIÓN, S.A.	Contractual	Purchase of tangible assets	139,524
ENEL, S.P.A.	ENDESA INGENIERIA,S.L.U.	Contractual	Management agreements	180
ENEL, S.P.A.	ENDESA INGENIERIA,S.L.U.	Contractual	Provision of services	20
ENEL, S.P.A.	ENDESA MEDIOS Y SISTEMAS, S.L.	Contractual	Management agreements	1,777
ENEL, S.P.A.	ENDESA MEDIOS Y SISTEMAS, S.L.	Contractual	Services received	316
ENEL, S.P.A.	ENDESA OPERACIONES Y SERVICIOSCOMERCIALES, S.L.	Contractual	Management agreements	437
ENEL, S.P.A.	ENDESA OPERACIONES Y SERVICIOSCOMERCIALES, S.L.	Contractual	Services received	1,031
ENEL, S.P.A.	ENDESA, RED,S.A.	Contractual	Services received	722
ENEL, S.P.A.	ENDESA X SERVICIOS,S.L.U.	Contractual	Purchase of tangible assets	858
ENEL, S.P.A.	ENDESA X SERVICIOS,S.L.U.	Contractual	Management agreements	10,497
ENEL, S.P.A.	ENDESA X SERVICIOS,S.L.U.	Contractual	Services received	320
ENEL, S.P.A.	ENDESA X SERVICIOS,S.L.U.	Contractual	Provision of services	332
ENEL, S.P.A.	ENDESA, S.A.	Contractual	Financing agreements: loans	3,700,000
ENEL, S.P.A.	ENDESA,S.A.	Contractual	Guarantees and bank guarantees	112,000
ENEL, S.P.A.	ENDESA,S.A.	Contractual	Interest charges	93,458

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Name or company name of significant shareholder	Name or company name of the company or entity within its group	Nature of the relationship	Type of transaction	Amount (thousands of euros)
ENEL, S.P.A.	ENDESA,S.A.	Contractual	Management agreements	13,734
ENEL, S.P.A.	ENDESA,S.A.	Contractual	Services received	6,743
ENEL, S.P.A.	ENDESA,S.A.	Contractual	Purchase of finished or unfinished goods	177,220
ENEL, S.P.A.	ENDESA,S.A.	Contractual	Interest paid	1,150
ENEL, S.P.A.	ENDESA,S.A.	Contractual	Provision of services	3,014
ENEL, S.P.A.	ENDESA,S.A.	Contractual	Sale of tangible assets	1
ENEL, S.P.A.	ENDESA,S.A.	Contractual	Purchase of tangible assets	297
ENEL, S.P.A.	ENERGÍA XXI COMERCIALIZADOR DE REFERENCIA,S.L.	Contractual	Management agreements	31
ENEL, S.P.A.	ENERGÍA XXI COMERCIALIZADOR DE REFERENCIA,S.L.	Contractual	Services received	305
ENEL, S.P.A.	GAS Y ELECTRICIDAD GENERACIÓN, S.A.U.	Contractual	Management agreements	2,521
ENEL, S.P.A.	GAS Y ELECTRICIDAD GENERACIÓN, S.A.U.	Contractual	Services received	110
ENEL, S.P.A.	INTERNATIONAL ENDESA, B.V.	Contractual	Services received	50
ENEL, S.P.A.	UNIÓN ELÉCTRICA DE CANARIAS, S.A.U.	Contractual	Management agreements	4,020
ENEL, S.P.A.	UNIÓN ELÉCTRICA DE CANARIAS, S.A.U.	Contractual	Services received	208
ENEL, S.P.A.	ENDESA RED,S.A.	Contractual	Management agreements	207

D.3. Describe any transactions that are significant, either because of their amount or the subject matter, entered into between the company or entities within its group and directors or managers of the company:

Name / company name of director / senior manager	Name or company name of the company or its group company	Relationship	Nature of the transaction	Amount (thousands of euros)
No data				N/A

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- D.4.** Report any material transactions carried out by the company with other entities belonging to the same group, provided that these are not eliminated in the consolidation process and do not form part of the company's ordinary business activities in terms of their purpose and conditions.

In any case, report any intragroup transaction conducted with entities established in countries or territories considered as tax havens:

Company name of the entity within the group	Brief description of the transaction	Amount (thousands of euros)
No data		N/A

- D.5.** Report any material transactions carried out by the company or entities belonging to its group with other related parties that have not been reported in the previous sections.

Company name of the related party	Brief description of the transaction	Amount (thousands of euros)
No data		N/A

- D.6.** List the mechanisms in place to detect, determine and resolve potential conflicts of interest between the company and/or its group and its directors, senior management or significant shareholders.

Directors shall take the necessary measures to avoid becoming involved in situations in which their interests, whether personally or on behalf of another party, may conflict with the corporate interest and their duties to the Company.

In particular, the duty to avoid conflicts of interest requires directors to abstain from:

- Carrying out transactions with the Company, except for ordinary transactions carried out on standard terms for all customers and which are immaterial.
- Using the Company's name or using their status as a Director of the Company to unduly influence private transactions.
- Using corporate assets, including the Company's confidential information, for private purposes.
- Taking advantage of the Company's business opportunities.
- Obtaining advantages or remuneration from third parties other than the Company and its group for performing their duties, except for minor hospitality.
- Performing activities, whether for themselves or on behalf of third parties, potentially or actually involving effective competition with the Company or which, in any other manner, place the Director in a permanent conflict of interest with the Company.

The provisions set forth shall also apply when the beneficiary of the restricted actions or activities is related to the Director.

The waiver of the obligations set forth in this section, as the case may be, shall require approval of the Board of Directors or of the General Shareholders' Meeting, in accordance with the provisions of law and all other internal regulations of the Company. Furthermore, Directors shall abstain from participating in the deliberation and voting on agreements or decisions regarding which they and/or a related person has a direct or indirect conflict of interest. Agreements or decisions that affect their status as Directors, such as their appointment to or removal from roles on the Board of Directors, its Committees and the Executive Committee, or other analogous agreements or decisions shall be excluded from the aforementioned obligation to abstain.

In addition, ENDESA has an Action Protocol for conflicts of interest, exclusive dedication and commercial competition, the purpose of which is to regulate the conduct to which ENDESA employees must adhere as regards exclusive dedication and commercial competition, and to establish the rules to be followed in the event of behaviour or situations that imply a potential conflict between the interest of the Company and the personal interest, direct or indirect, of any of its employees.

- D.7.** Indicate whether the company is controlled by another entity in the meaning of Article 42 of the Commercial Code, whether listed or not, and whether it has, directly or through any of its subsidiaries, business relationships with said entity or any of its subsidiaries (other than the listed company) or carries out activities related to those of any of them.

Yes  
 No

Indicate whether the respective areas of activity and any business relationships between the listed company or its subsidiaries and the parent company or its subsidiaries have been defined publicly and precisely:



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Yes  
 No

**Report the respective areas of activity and any business relationships between the listed company or its subsidiaries and the parent company or its subsidiaries, and identify where these aspects have been publicly reported**

Relations between Endesa and its controlling shareholder Enel:

As a result of the amendment of Recommendation 2 of the Good Governance Code for Listed Companies, Endesa's Board of Directors approved and published on its website ([www.endesa.com](http://www.endesa.com)) an Action Protocol for Relations Between Endesa, S.A. and Enel, S.p.A, detailing the practices implemented to date regarding conflicts of interest with its controlling shareholder.

The provisions of the Protocol are based on the standards and criteria approved by the Board of Directors and Audit and Compliance Committee of Endesa to ensure and guarantee the interests of Endesa in transactions between Endesa and Enel. Likewise, the Protocol takes into account the Enel Group Corporate Governance Guidelines (2018), which were established by Enel, with the participation of Endesa, following best international corporate governance practices, and following the conclusions of the working group established, comprised of international experts, to determine standard rules and procedures applicable to conflicts of interest and related-party transactions. By resolution of the Board of Directors on 22 October 2018, Endesa agreed to adhere to these Guidelines.

ENDESA 's inclusion in the ENEL Group gives rise to, inter alia, the generation of synergies, coordination of best practices and application of economies of scale, which primarily affect: the purchase of goods and services; corporate services; Information Systems and Telecommunications technologies; electricity generation, distribution and marketing activities, including primarily research, development, engineering and execution, implementation and operation and maintenance of facilities, as well as energy management, and acquisition and sale of commodities in global markets.

The most relevant transactions between ENDESA and its Subsidiaries and ENEL and its Subsidiaries primarily include:

- Trading Transactions: ENDESA provides integrated management of the marketing and generation businesses, covering long and short positions in electricity and commodity sales, with the dual objective of maximizing margins and managing risks through suitable hedges. In carrying out the first, ENDESA participates in physical and financial wholesale markets to ensure competitive fuel and CO2 costs for operating generation plants in wholesale markets. As regards the second, ENDESA contracts brokerage transactions and hedging instruments with a view to reducing risk arising from price changes of certain critical products for the company's business, including electricity, gas, coal, Brent and carbon dioxide emission allowances.

ENDESA manages a portfolio of framework agreements with different counterparties in order to execute commodity supply agreements and financial hedging agreements for the price thereof. Some of those transactions are carried out through the ENEL Group company "ENEL Global Trading", used as sole counterparty for operations in international markets, which simplifies operations and reduces the amount of guarantees required, thus contributing to decreased operating and credit risk, as well as reduced management costs.

This type of transaction is homogeneous and responds to a single form of operating, where ENDESA, instead of contracting multiple counterparties in the market, contracts only one (ENEL), which provides significant cost and collateral savings (or does not require additional guarantees). In addition, these transactions are inherently carried out at arms' length, as ENDESA verifies, at the time it is carried out, that transaction value reflects standard value on a liquid and traceable index. In the case of physical purchases of coal or gas offers are requested from third parties.

- Transactions related to business support services (provision of various intra-group services): The ENEL Group and the ENDESA Group mutually provide technical and corporate services to each other. Through the provision of these services, the Group seeks to optimize resources by centralizing functions, thus attaining a more functional and efficient cost structure. Corporate services include all activities providing centralized support for the management of the different business units and entities of the ENDESA Group.

The different services include those provided by ENEL and some of its Italian Subsidiaries to ENDESA and its Subsidiaries by virtue of technical and management support service agreements, as well as insurance mandates with ENEL so that it can negotiate and contract in its own name and on behalf of ENDESA insurance policies for ENDESA and its subsidiaries.

- Intra-Group Financing Transactions: All activities aimed at structurally financing and making liquidity unconditionally available from the ENEL Group to the different business units and entities of the ENDESA Group are considered intra-group financing transactions and services.

All these transactions between ENDESA Group and ENEL Group are carried out in accordance with the usual terms and conditions for these types of transactions in the market, generally offering comparable terms to transactions with third parties, and verified by independent experts.

Identify the mechanisms in place to resolve potential conflicts of interest between the parent of the listed company and the other group companies:

**Mechanisms for resolving possible conflicts of interest**

A- ENDESA has a comprehensive regulatory framework laying out the system for the authorization and transparency of related-party transactions:

- RELATED-PARTY TRANSACTION REGULATIONS:

Governs the procedures for approval by the Board of Directors of those transactions that ENDESA or any ENDESA Group company performs with ENDESA's Directors or significant shareholders, or with any persons related thereto.

- RELATED-PARTY TRANSACTION PRACTICAL GUIDELINES:

Practical guidelines on applying ENDESA's Related-Party Transaction Regulations in the internal process that the Company must follow for the approval of related-party transactions by ENDESA's Board of Directors.

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### - OPERATING INSTRUCTIONS:

Instructions governing the internal approval and control procedures for Technical Service and Management Support agreements granted by the majority shareholder and that allow for the services received to be assessed and for monitoring of the supporting documentation.

### - PROCEDURES FOR RELATED-PARTY FINANCIAL TRANSACTIONS:

Procedures governing the internal approval and control processes for agreements on related-party financial transaction services provided by the ENEL Group and that allow for the services received to be assessed and for monitoring of the supporting documentation.

### - MODEL FORM FOR ACCESS TO COMMODITIES MARKETS AND EUROPEAN ELECTRICITY AND GAS MARKETS:

This Form governs global commodity transactions outside Spain through ENEL Trading, as a means of optimizing operations. Given that it is a related company, the Form establishes several features to ensure that the transactions are conducted with respect for the law and that the prices have been set at arms' length.

### - GLOBAL CORPORATE GOVERNANCE GUIDELINES:

ENEL Group, with the participation of ENDESA, following best international corporate governance practices, has established a working group, comprised of international experts, to determine standard rules and procedures applicable to conflicts of interest and related-party transactions, and which has resulted in establishment of the "ENEL Group Corporate Governance Guidelines".

The Guidelines are based on the following general principles:

- Adequate protection of the Corporate Interests of each Subsidiary, fair treatment of the Group's public and private stakeholders and equitable distribution of the benefits and costs derived from membership in the ENEL Group.
- Commitment to identifying, avoiding and adequately resolving potential Conflicts of Interest that may arise between ENEL Group companies, and between ENEL Group companies and their respective Directors and other related parties.
- Commitment to establishing an Information Flow system within the ENEL Group in accordance with the restrictions imposed by applicable regulations.
- Development of systems that enable the governing bodies to monitor risks, specifically those arising from conflicts of interest.

The Corporate Governance Manual, which recognizes the advantages generated by ENEL's coordination of the strategies and plans of the ENEL Group, ensures the required respect for the legal independence of ENEL's Subsidiaries, within a framework designed to adequately protect the Corporate Interests of each of the Subsidiaries. The foregoing is with special regard to related-party transactions and conflicts of interest.

### B- General system applicable to related-party transactions between ENDESA Group and ENEL Group

i Related-party transactions are those that involve a transfer of resources, services or obligations and which are carried out by ENEL Group companies with ENDESA Group companies, with or without consideration, always in accordance with legal regulations in force.

ii Related-party transactions with the ENEL Group are valued by ENDESA's governing bodies taking into account only ENDESA's corporate interests.

iii Directors of ENDESA appointed by ENEL do not participate in deliberations or voting on the related-party transactions entered into by ENDESA Group with ENEL Group.

iv All transactions carried out by ENDESA Group companies with any ENEL Group company must be approved by ENDESA's Board of Directors, following a report from the Audit and Compliance Committee. The transaction may, in duly justified urgent circumstances, be authorized by the Chief Executive Officer, notwithstanding the fact that such transaction shall be immediately submitted to the next Board of Directors Meeting of ENDESA for ratification.

v In general, all related-party transactions that are submitted to ENDESA's management bodies or its General Meeting for approval, in accordance with current law, shall be accompanied by at least one report from an independent third party on the consideration provided for the transactions carried out, in terms of correspondence with market prices and conditions.

vi All related-party transactions between ENDESA Group Companies and ENEL Group Companies shall be contractually formalized in writing, and must be recorded in the Company's Register of Related-Party Transactions established for this purpose.

vii Unless otherwise provided by the Board of Directors of ENDESA, recurring related-party transactions between the ENDESA Group and the ENEL Group that have a set purpose, price or other key conditions, or which can be objectively determined, shall be analysed and, as the case may be, approved, taking into account their maximum duration, including all subsequent extensions. Any contractual relationship with a set purpose, price and other key conditions, or which can be objectively determined, and whose term is indefinite or which is established subject to unlimited extendable periods, shall be analysed and, as the case may be, approved, establishing a fixed period as deemed reasonable in light of the nature of the contractual relationship in question.

viii. Any amendments to the purpose or price of a related-party transaction with the ENEL Group previously approved by the Board of Directors of ENDESA, as well as any amendments to the duration or other basic terms thereof, shall require approval by the Board of Directors, unless said amendments to the related-party transaction were already taken into account at the time of its original approval.

ix. Transactions with the ENEL Group that are homogeneous and recurring within a line of transactions of the ENDESA Group may be analysed and, as the case may be, subject to standardized approval. This category of transactions shall be deemed to include commodities trading transactions and related financial hedging transactions, as the case may be.

x. ENDESA's Audit Department annually verifies that all related-party transactions with ENEL Group have been previously authorized by the Board of Directors, and that the authorized transactions have been carried out precisely following the authorized terms.

xi. On an annual basis, in the Annual General Shareholders' Meeting of ENDESA, the Audit and Compliance Committee shall draft and issue a Report describing the authorized transactions.

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### E. RISK MANAGEMENT AND CONTROL SYSTEMS

#### E.1. Explain the scope of the company's Risk Management and Control System, including tax risk:

The General Risk Management and Control Policy establishes the basic principles and the general framework for the control and management of risks of all kinds that might affect the attainment of the objectives, ensuring that they are identified, analysed, assessed, managed and controlled systematically and within the levels of risk established. The General Risk Control and Management Policy identifies the different types of financial and non-financial risks (including but not limited to operating, technological, legal, social, environmental, political, reputational or corruption-related) faced by the Company, considering as financial/economic risks any contingent liabilities and other off-balance sheet risks.

The General Risk Control and Management Policy seeks to guide and steer the set of strategic, organisational and operational actions that allow the Board of Directors of ENDESA, S.A. to precisely delineate the acceptable level of risk, so that the managers, staff and service functions of the various Business Lines can maximise the Company's profitability, preservation or increase of its equity and treasury and certainty of level of success, preventing uncertain and future events from having a negative influence on its ability to achievement of the company's profitability objectives, its operations, sustainability, resilience or reputation in a sustained manner over time, providing an adequate level of guarantees to shareholders and safeguarding their interests, as well as those of customers and other stakeholders.

The General Risk Management and Control Policy is implemented and supplemented by other risk policies specific to the Business Line, staff and service functions, as well as by limits established for optimal risk management in each of them.

The General Risk Control and Management Policy is implemented through an Internal Control and Risk Management System, which comprises an organisation, principles, a regulatory system and a risk control and management process.

The Internal Control and Risk Management System conforms to a model based on the one hand on an ongoing study of the risk profile, applying current best practices in the energy or benchmark sectors as regards risk management, homogeneous measurement criteria within the same type of risk, segregation of risk managers and controllers, and, on the other hand, on ensuring a link between the risk assumed and the resources needed to operate the businesses, always maintaining an appropriate balance between the risk assumed and the objectives set by the Board of Directors of ENDESA, S.A.

The Company's risk control and management model is aligned with international standards following a methodology based on the three lines model.

The organisation of the Internal Control and Risk Management System is implemented through independent risk management and risk control functions that ensure adequate segregation of duties.

The General Risk Management and Control Policy defines the Internal Control and Risk Management System (SCIGR) as an interwoven system of rules, processes, controls and reporting systems in which overall risk is defined as the risk resulting from the overall view of all risks to which the Company is exposed, taking into account the mitigating effects for the various exposures and risk classes, allowing for consolidation and appraisal of risk exposure of the Company's various business units and the development of the corresponding management information for taking decisions on risk and the appropriate use of capital.

The risk control and management process consists in the identification, evaluation, monitoring and management over time of the various risks, and takes account of the main risks to which the Company is exposed, whether of internal or external origin:

The General Risk Control and Management Policy, established and approved by ENDESA, S.A.'s Board of Directors is the core of the system from which the following documents are derived:

- Specific risk control and management policies, such as the "Policy on Management and Control of Tax Risks" and the "Criminal Compliance and Anti Bribery Policy", which are approved by the Board of Directors of ENDESA, S.A. and in which specific risk catalogues and controls are defined.
- Organisational documents, which complement and specify relevant aspects of the risk control and management processes.
- The ENDESA Risk Appetite Framework, which determines the main risk indicators, the risk levels considered acceptable, and management and mitigation mechanisms.
- The ENDESA Risk Map, which give a prioritised view of all relevant risks.

In addition, in view of the growing interest in the management and control of the risks to which companies are exposed and given how complicated it is becoming to identify them from a comprehensive point of view, it is important for employees to take part at all levels in this process. In this regard a risk mailbox has been created for employees to help identify market risks and come up with suggestions for measures to mitigate them, thereby complementing the existing top-down risk management and control systems and mailboxes and specific procedures for reporting breaches of ethical behaviour, criminal risks tax risks and employment risks.

#### E.2. Identify the bodies within the company responsible for preparing and executing the Risk Management and Control System, including tax risk.

Board of Directors: responsible for determining the General Risk Management and Control Policy, including tax policies, and setting the level of risk that the Company considers acceptable in the Risk Appetite Framework, as well as the supervision of internal information and control systems.

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Audit and Compliance Committee (CAC). Its duties include: Report on the General Risk Control and Management Policy to the Board of Directors, including tax risks, and their amendments; and monitor the effectiveness of the Company's internal controls and risk management systems, including as regards tax risks.

The Company's risk control and management model is aligned with international standards following a methodology based on the three lines model. The main roles and responsibilities of the governing bodies and areas involved in the risk control and management process are:

The first line is the responsibility of the heads of the business lines, staff and service functions (including the Tax Affairs unit regarding risks of a tax nature and the Legal unit for legal risks). Businesses, staff and service functions manage the risks and establish the necessary controls to ensure that transactions in the markets are carried out in compliance with ENDESA's policies, standards and procedures.

The second line is carried out by a set of organisational areas and Committees that cover the different types of risk and report on them independently in coordination with the Audit and Compliance Committee. It is divided into three areas according to the type of risk: risks related to internal control and financial and non-financial information, criminal risks and other risks.

A) Risks related to internal control and financial and non-financial information

Transparency Committee. The Transparency Committee is chaired by the CEO and comprised of the key executives of Endesa. Its main objective is to ensure compliance with and proper application of the general principles governing financial and non-financial reporting (confidentiality, transparency, consistency and responsibility); to assess events, transactions, reports or other relevant matters reported externally; and to determine the manner and deadlines for presenting public information. The Transparency Committee is the ENDESA management body that evaluates the conclusions on compliance and effectiveness of the controls of the Internal Reporting Control System and internal controls and procedures for external dissemination of information, formulating corrective and/or preventive actions in this regard. The conclusions of the Transparency Committee are then forwarded to the Audit and Compliance Committee.

Internal reporting control. The ENDESA Internal Control Unit is the area responsible for identifying the most relevant processes, activities, risks and controls of the Internal Reporting Control System that it considers material to provide reasonable assurance that the information disclosed externally by ENDESA is reliable and appropriate.

B) Crime risk

Crime Risk Prevention and Anti-Bribery Model Supervisory Committee This is a collegiate body with autonomous powers of initiative and control with regard to criminal risks, which is directly supervised by the Audit and Compliance Committee. It supervises compliance and updating of the model to prevent risks of crime for which ENDESA may be held liable. Compliance. The Corporate Affairs and Compliance area is primarily responsible for overseeing crime risk prevention and for ensuring regulatory compliance.

C) Other risks

Risk Committee. The Risk Committee supervises the management and monitoring of all risks, including tax risks in particular, other than those of a criminal nature and those related to internal control and financial reporting, referring the results of its deliberations and conclusions to the Audit and Compliance Committee of the ENDESA Board of Directors. The Risk Committee must be composed of at least the CEO and his first reporting line and is based on the internal procedures of the different business lines, staff and service functions.

Risk control. This is the area delegated by the Risk Committee to define the procedures and norms of the Internal Control and Risk Management System (SCIGR), to ensure that all the risks in its area of responsibility that affect the entity are homogeneously and periodically identified, characterised, quantified and properly managed, including off-balance sheet risks, and to monitor risk exposure and the control activities implemented.

The function of reporting to the governing bodies on the effectiveness of the internal control and risk management (third line) lies with Internal Audit, which validates the Model and continuously monitors the structure and operation of the Internal Control and Risk Management System (SCIGR).

The three lines report to the Audit and Compliance Committee and the Board of Directors to fulfil their responsibilities.

See the organization section of the Risk Management and Control Policy published on the Company's website for further information.

### E.3. Indicate the main risks, including tax risks, and those deriving from corruption (with the scope of these risks as set out in Royal Decree Law 18/2017), to the extent that these are significant, which may affect the achievement of business objectives.

The risk factors faced by ENDESA in performing its activity are grouped as follows:

- Strategic risk
- Financial risk
- Digital technology risk
- Operational risk
- Compliance risk, including corruption and tax risks
- Culture and corporate governance risk

### E.4. Indicate whether the entity has risk tolerance levels, including for tax risk:

ENDESA has a Risk Appetite Framework, which determines the main risk indicators, the risk levels considered acceptable, and management and mitigation mechanisms. This document is reviewed and approved by the Board of Directors.

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Additionally, the Crime Risk Prevention and Anti-Bribery Model and the Internal Control System for Financial Reporting (ICFR) in their definitions establish a zero tolerance for the risks to which they are addressed.

### E.5. Indicate which risks, including tax risks, have materialised during the year:

The coronavirus pandemic (COVID-19) has exacerbated the risks in 2020. This situation has increased the risks relating to human health, increased commodities volatility, caused a significant decrease in commodities pricing as compared to the Business Plan, decrease in demand for electricity and gas and therefore in customer consumption, decreased customer billing by 14.8% and an increase in commercial debt due to the decreased ability of counterparties to meet their payment obligations.

Other risks that arose during the financial year included those inherent in the activity carried out in an adverse environment, subject to fuel price volatility, sharp decrease in demand, credit and counterparty risk, as well as ongoing exposure to regulatory risk. These risks were kept within the limits of Endesa's Risk Appetite Framework, with the established control systems and actions carried out on the supply chain having functioned adequately. The COVID crisis has highlighted Endesa's strong financial position and this, together with the implementation of specific plans for improving and efficiently managing liquidity with unconditional credit lines contracted with top-tier institutions for significant amounts have made it possible to cope with the impact of the current economic difficulties.

Regarding the cybersecurity risk, the attacks suffered by ENDESA during 2020 increased considerably in number, although they received an appropriate response and the impact was not significant.

Regarding tax risk, during 2020 there were no significant impacts.

### E.6. Explain the response and oversight plans for the company's main risks, including tax risks, as well as the procedures followed by the company in order to ensure that the Board of Directors responds to any new challenges that arise:

ENDESA has a risk identification system that allows periodic evaluation of the nature and magnitude of the risks facing the organisation. The development of a risk control and management process and, in this framework, of a structured and standardised reporting system, has helped to obtain synergies for the consolidation and comprehensive treatment of risks and has allowed the development of key indicators to detect potential risks and send early alerts. The risk control and management process comprises the following phases:

- **Identification:** The purpose of the risk identification process is to generate the risk inventory based on events that could prevent, degrade or delay the achievement of the objectives. The identification must include risks whether their origin is under the control of the organisation or due to unmanageable external causes.
- **Evaluation:** The objective is to obtain the parameters that allow the measurement of the economic and reputational impact of all risks for their subsequent prioritisation. Evaluation includes different methodologies according to the characteristics of the risk, such as the assessment of scenarios and the estimation of the potential loss from the evaluations of impact and probability distributions.
- **Monitoring:** The objective is to monitor the risks and establish management mechanisms allowing the risks to be kept within the established limits and the appropriate management actions to be taken.
- **Management:** The objective is the performance of the actions aimed at keeping risk levels at optimum levels and in any case within the established limits.

The conclusions derived from applying this process are conveyed to the various committees ultimately responsible for periodically informing the Audit and Compliance Committee, which, depending on the nature of the risk, are the Risk Committee, the Transparency Committee or the Crime Risk and Anti-Bribery Prevention Model Supervisory Committee.

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### F. INTERNAL RISK MANAGEMENT AND CONTROL SYSTEMS RELATING TO THE PROCESS OF PUBLISHING FINANCIAL INFORMATION (ICFR)

Describe the mechanisms forming your company's Internal Control over Financial Reporting (ICFR) system.

#### F.1. The entity's control environment.

Report on at least the following, describing their principal features:

F.1.1 The bodies and/or departments that are responsible for: (i) the existence and maintenance of an adequate and effective ICFR system; (ii) its implementation; and (iii) its supervision.

##### Board of Directors

ENDESA's Audit and Compliance Committee Regulations state that the main task of this Committee is to advise the Board of Directors and to monitor and oversee the processes for preparing and filing financial and non-financial information, the independence of the statutory auditor and the effectiveness of Internal Control and risk management systems, regulatory compliance and tax matters, as well as to report to the Board of Directors on related-party transactions, in accordance with applicable law. It is responsible for monitoring the effectiveness of internal controls on financial and non-financial information of the Company and reporting such conclusions to the Board of Directors, as well as for discussing with the External Auditor any significant weaknesses detected in the Internal Control system during the course of the audit work.

##### Audit and Compliance Committee

It is also responsible for supervising the internal audit unit, ensuring its independence and effectiveness, proposing the selection, appointment, re-election and removal of the Head of Internal Audit, receiving periodic information about its activities and verifying that Senior Management takes into account the conclusions and recommendations of its reports. Audit and Compliance Committee members are appointed in light of their knowledge and experience of financial and non-financial accounting, audit or risk management.

Transparency Committee

In 2004, ENDESA set up a Transparency Committee, presided by the Chief Executive Officer and consisting of senior executives, including all members of the Executive Management Committee together with other members of ENDESA management directly involved in the preparation, certification and disclosure of financial and non-financial information. The main objective of this Committee is to ensure compliance with and correct application of General Financial and Non-Financial Reporting Principles (confidentiality, transparency, consistency and responsibility), to evaluate the facts, transactions, reports or other relevant aspects that are communicated to the outside world, and to determine the form and timing for presenting public information.

Also, one of the functions of the Transparency Committee is to evaluate the conclusions submitted to it by the General Management, Administration, Finance and Control of ENDESA, based on the report prepared by the Internal Control unit of ENDESA, on compliance with and effectiveness of internal controls on financial and non-financial reporting and internal controls and procedures for the external dissemination of information, formulating corrective and/or preventive actions in this regard and reporting to the Audit and Compliance Committee of the Board of Directors.

##### General Management, Administration, Finance and Control

The General Management, Administration, Finance and Control of ENDESA in its action to support the Transparency Committee, performs the following functions in relation to the Internal Control of Financial Reporting:

- Proposing Financial Reporting Management Policies to the Transparency Committee for its approval.
- Evaluating the effectiveness of the ICFR in place, including any breaches of approved Internal Control policies, reporting the results to the Transparency Committee.

##### Internal Control Unit

Within ENDESA's Administration, Finance and Control Department, there is a dedicated ICFR Unit tasked with the following duties:

- Communicating approval of ICFR policies and procedures to ENDESA's various companies and organisational areas.
- Maintaining, updating and making available to the company the ICFR model and the documentation associated with the processes and controls.
- Defining the flow charts for certifying the evaluation of the effectiveness of the controls and procedures defined in the ICFR model.
- Overseeing the process of certifying internal controls over Financial Reporting and the internal disclosure controls and procedures, and submitting periodical reports on its conclusions with respect to the system's effectiveness.

All matters relating to Internal Control over Financial Reporting are regulated in the organisational procedure No. 5 "Internal Control over Financial Reporting", the purpose of which is to establish the operating principles and lines of responsibility for the establishment and maintenance of internal controls over Financial Reporting, to guarantee that they are reliable and that reports, events, transactions and other material developments are disclosed internally and externally in an appropriate form and time frame. The ICFR system is evaluated and certified every six months.

F.1.2 Indicate whether the following exist, especially in relation to the drawing up of financial information:

- Departments and/or mechanisms in charge of: (i) the design and review of the organisational structure; (ii) clear definition of lines of responsibility and authority with an appropriate distribution of tasks and functions; and (iii) ensuring that adequate procedures exist for their proper dissemination throughout the entity

The design and review of the first level organisational structure is approved by the Board of Directors, at the proposal of the CEO and following a report from the Appointments and Remuneration Committee. Additionally, and in accordance with the Corporate Enterprises Act, it is for the Board of Directors to supervise the performance of Senior Management.

The People and Organisation Unit is responsible for analysing, designing, planning and implementing organisational changes based on the company's strategy and consistent with the change management framework that in many cases entail major transformations both in processes and in organisational aspects. Based on this, the appropriate organisational structure is defined (formalised in organisational directives) along with the dimensioning of the units and the evaluation of the key positions. Likewise, this Unit defines and ensures the appropriate reflection and implementation of this information in internal systems. Corporate policy No. 26 "Organisational Guidelines" defines and establishes criteria for developing, formalising and communicating organisational structures.

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Additionally, internal procedures are developed that define and regulate the processes and responsibilities of the various units involved in order to ensure their proper functioning. These documents, as well as the various organisational directives, are published in the regulatory repository enabled on the ENDESA Intranet, being available to all Company employees.

- Code of conduct, the body approving this, degree of dissemination and instruction, principles and values covered (stating whether there is specific mention of record keeping and preparation of financial information), body charged with analysing breaches and proposing corrective actions and sanctions:

In relation to internal regulations on ethics and crime prevention, ENDESA has the following documents:

### Code of Ethics

ENDESA has a Code of Ethics approved by the Board of Directors which sets out the ethical commitments and responsibilities in the management of the businesses and business activities assumed by employees of ENDESA and its subsidiaries whether they are Directors or employees of any kind. The Code of Ethics comprises:

- the general principles that govern relations with stakeholders and define ENDESA's benchmark business values;
- the standards of conduct for dealing with all groups of stakeholders, enshrining the specific guidelines and rules which ENDESA professionals must adhere to in order to uphold the general principles and avoid unethical behaviour.
- the implementation mechanisms, which describe the organisational structure around the Code of Ethics, responsible for ensuring that all employees are fully aware of, understand and comply with the Code.

The principles and provisions of ENDESA's Code of Ethics must be respected and complied with by the members of the Board of Directors, the Audit and Compliance Committee and other governing bodies of ENDESA and its subsidiaries, as well as managers, employees and collaborators linked to ENDESA by contractual relationships of any kind, even occasional or temporary.

Among the General Principles contained in the Code of Ethics is "Transparency and integrity of information" which states that "ENDESA employees must provide complete, transparent, understandable and accurate information, so that, when establishing relations with the company, those involved can make autonomous decisions in full awareness of the interests at stake, the relevant alternatives and consequences."

### Zero Tolerance of Corruption Plan

The Zero Tolerance of Corruption Plan approved by the Board of Directors requires all ENDESA employees to be honest, transparent and fair in the performance of their duties. The same commitments are required from other related parties, that is, from individuals, groups and institutions that contribute to the achievement of ENDESA's objectives, or that participate in the activities it performs to achieve them.

In compliance with Principle 10 of the Global Compact, to which Endesa is a signatory, and which provides that "[b]usinesses should work against corruption in all its forms, including extortion and bribery," Endesa rejects all forms of corruption, both direct and indirect, and has implemented a program to fight against corruption.

### Criminal Risk Prevention Model

Endesa's Crime Risk Prevention and Anti-Bribery Model is comprised of a structured and organic system of procedures and surveillance and monitoring activities to prevent crimes within the company's area of responsibility, in other words, crimes that could result in criminal liability for legal persons within its business group. Endesa's current Crime Risk Prevention and Anti-Bribery Model was adopted by the Board of Directors at its meeting on 25 January 2016 and was updated in November 2018 and May 2020.

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The Model is comprised of five elements that, combined, ensure an adequate control system for preventing crime risk: Control Environment, Risk Assessment and Control Activities, Monitoring Activities, Reporting and Communication, and Disciplinary System.

The Model is continually monitored to ensure the design and functioning thereof comply with the provisions of applicable law, analysing and resolving any incidents identified. The Audit and Compliance Committee is responsible for monitoring compliance and operation of the Model in accordance with law and the regulations of ENDESA. The Supervisory Committee, under the direct and exclusive supervision of the Audit and Compliance Committee, will perform the duties entrusted thereto including but not limited to monitoring and proposing updates to the Model, performing its duties with assistance from the Audit Department, based on the powers conferred and the specialization required.

The Criminal Compliance and Anti-Bribery Policy was approved by the Board of Directors on 6 November 2017 and updated on 4 May 2020 and is additional to the Risk Management and Control Policy; it establishes the general principles of the Compliance System, which inspire the content and application of all corporate internal standards, as well as the Organisation's actions. ENDESA's criminal and anti-bribery risk prevention system certified in accordance with the UNE 19601 (Criminal Compliance Management Systems) and UNE-ISO 37001 (Anti-Bribery Management Systems) standards.

Internal rules of conduct in securities markets and in emission rights markets

The Internal rules of conduct in securities markets and in emission rights markets determine the behavioural principles that all ENDESA Group employees must follow in their actions in the securities markets and in the emission rights markets and, in particular, in relation to privileged information, in order to avoid situations of market abuse.

- Whistleblower channel allowing notifications to the audit committee of irregularities of a financial and accounting nature, in addition to potential breaches of the code of conduct and unlawful activities undertaken in the organisation, indicating whether this channel is confidential and whether anonymous notifications can be made, protecting the rights of the whistleblower and the person reported:

ENDESA has had an Ethics Channel or mailbox in place since 2005. This is accessible via its corporate website and intranet, so that all stakeholders can report, securely and anonymously, any irregular, unethical or illegal conduct which has, in their opinion, occurred in the course of ENDESA's activities.

The procedure established for the use of the channel guarantees confidentiality, being managed by an external and independent firm, through which all complaints or communications are processed.

In addition to the Channel, complaints are received through other channels and always routed to the Audit Department, in accordance with ENDESA's internal procedures.

The Audit Department is responsible for ensuring the correct handling of complaints received, acting according to its own judgement, independently of other units in the organisation. It has access to all Company documents necessary for the exercise of its functions and monitors the implementation of the recommendations included in its audit reports. In addition, the Audit Department is an organ attached to the Board of Directors through its Audit and Compliance Committee, which centralises and channels complaints of significant relevance and elevates them to the Board.

- Training and periodic refresher programmes for personnel involved in the preparation and revision of financial information, as well as in the assessment of the ICFR system, covering at least accounting standards, auditing, internal control and risk management:

The People and Organisation Department and the Administration, Finance and Control Department jointly develop training plans for all personnel involved in the preparation of ENDESA's financial statements. This Plan includes permanent updating both on the evolution of the business and regulatory environment of the activities carried on by the various ENDESA subsidiaries and on knowledge of the International Financial Reporting Standards (IFRS) and the regulations and evolution of the principles of Internal Control of Financial Reporting.

During 2020 the Administration, Finance and Control Department of ENDESA completed 9,166.90 hours of training that addressed the following topics: Languages (33.64%), Digitalization (28.57%), Safety (11.50%), Working from Home (10.02%), Cross-Functional Skills (7.15%), Environmental (6.61%), Anti-Bribery and Code of Ethics (1.86%), and Diversity and Human Rights (0.66%). Due to the home confinement programs, in-person seminars were cancelled and adapted to an online format, the particular characteristics of which required the seminars to be shortened.

Additionally, whenever necessary, specific training sessions are conducted on aspects relating to the process of preparation and control of Financial Reporting for personnel not belonging to the Administration, Finance and Control department but who are directly or indirectly involved in providing information for the preparation of Financial Reporting.



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### F.2. Assessment of risks in financial reporting

Report on at least the following:

F.2.1 The main characteristics of the risk identification process, including risks of error and fraud, as regards:

- Whether the process exists and is documented:

ENDESA's ICFR has identified and recorded all internal control risks arising out of the relevant processes for preparation of the financial information, including risk of error or fraud. All information related to the ICFR is documented through the SAP-GRC PROCESS CONTROL internal control software tool (SAP-GRC-PC). The Corporate Governance Code for Listed Companies, approved by the CNMV in June 2020, delegated the duty of supervising and evaluating the process for the preparation and completeness of non-financial information to the audit committee, as was already similarly established in Technical Guidelines 3/2017 on audit committees, also approved by the CNMV. Consistent with the foregoing, Endesa's Audit and Compliance Committee Regulations provide that said Committee shall be responsible for supervising and evaluating the process for preparation and presentation of non-financial information, as well as for monitoring the effectiveness of internal controls on non-financial information. The foregoing has established that non-financial information must be uniformly prepared with the financial information and subject to similar internal control mechanisms, as the responsibility of the directors in this regard is the same.

Specifically, as relates to non-financial information, ENDESA implemented a project in 2020 to identify relevant indicators based on which it developed and implemented controls to cover the process for preparation of the Non-Financial Information and Sustainability Statement. These controls were incorporated as part of Endesa's existing ICFR used to date for Financial Reporting, all with the aim of also ensuring the integrity and accuracy of the non-financial information.

- Whether the process covers all the objectives of financial reporting, (existence and occurrence; completeness; valuation; presentation; disclosure and comparability; and rights and obligations), whether it is updated and if so how often:

The process of identifying and updating risks of Financial Reporting covers the following Financial Reporting objectives:

- Existence and occurrence
- Integrity
- Measurement/valuation
- Presentation, disclosure and comparability
- Rights and obligations

ENDESA's Internal Control Unit updates the ICFR relevant processes map to collect any quantitative or qualitative changes affecting the Internal Control model.

Risks are reviewed whenever changes in processes occur or when new processes are introduced or new companies included in the scope. This review may result in the identification of new risks, which would be mitigated by updating controls or designing new ones.

- The existence of a process for identifying the scope of consolidation, taking into account, among other factors, the possible existence of complex corporate structures or special purpose vehicles

ENDESA keeps a corporate register, which is permanently updated, with information on all its shareholdings, whether direct or indirect, including all entities over which ENDESA has the power to exercise control, regardless of the legal structure giving rise to such control, so that this register also includes holding companies and special purpose vehicles.

The management and updating of this corporate register is carried out in accordance with a procedure regulated by Internal Standard N.035 "Management of ENDESA's corporate register".

ENDESA's scope of consolidation is determined on a monthly basis by the Administration, Finance and Control Department based on the information available in the corporate register and in accordance with the criteria stipulated by IFRS and local accounting regulations. Any changes in the scope of consolidation are communicated to all ENDESA companies.

- Whether the process takes into account the effects of other types of risk (operational, technological, financial, legal, tax, reputational, environmental, etc.) to the extent that they affect the financial statements:

The identification and updating of risks of financial reporting forms an intrinsic part of the continuous review of the processes that form part of the ICFR and of the design of new processes identified important to it.

- The governing body within the company that supervises the process:

The Audit and Compliance Committee is responsible for supervising the effectiveness of the Internal Control over ENDESA's Financial Reporting and for reporting on it to the Board of Directors. To this end it may submit recommendations or proposals to the Board of Directors along with the corresponding follow-up period.

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### F.3. Control activities

Report on whether the company has at least the following, describing their main characteristics.

F.3.1 Review and authorisation procedures for financial information and a description of the ICFR, to be disclosed to the securities markets, indicating those responsible, as well as documentation describing the flow of activity and controls (including those relating to the risk of fraud) of the various types of transactions which may materially affect the financial statements, including accounting closing procedures and the specific review of significant judgements, estimates, valuations and projections.

ENDESA provides Financial Information to the stock market on a quarterly basis. This Financial Information is prepared by the Administration Area, which performs the necessary control activities in the accounting closing process to ensure the reliability of said information.

Additionally, the Planning and Control Area analyses and supervises the information prepared.

The General Manager, Administration, Finance and Control analyses the reports received, provisionally approving the aforementioned Financial Information for submission to the Transparency Committee.

The Transparency Committee itself for half-years, and the representatives designated by the Transparency Committee for quarters, analyse the Financial Information received from the Administration, Finance and Control Department and once the Financial Information has been approved it is sent to the Audit and Compliance Committee.

The Audit and Compliance Committee supervises the financial information presented to it. In the accounting closings that coincide with the end of a semester, as well as in those others in which the Audit and Compliance Committee considers it desirable, the Committee also has information prepared by ENDESA's external auditors on the results of their work. Finally, the Audit and Compliance Committee informs the Board of Directors of its conclusions on the financial information submitted so that, once approved by the Board of Directors, it can be published in the securities markets.

Internal Control Model for Financial Reporting (ICFR)

ENDESA has an Internal Control Model for Financial Reporting aligned with the model established for all ENEL Group companies, based on the COSO (Committee of Sponsoring Organisations of the Treadway Commission) model.

First, there are the Entity Level Controls (ELCs) and the Company Level Controls (CLCs). They are structural elements that work transversally in all divisions and companies.

There are also specific ELCs to mitigate the risks of Segregation of Duties (ELC-SOD) and access controls (ELC-ACCESS) that mitigate the risk of unauthorised access to computer applications which are relevant for the processes.

At the process level, ENDESA has identified the following Business cycles common to all its subsidiaries:

- 1) Fixed assets
- 2) Accounting close
- 3) Capital investments
- 4) Finance
- 5) Inventory
- 6) Personnel Expenses
- 7) Procurement cycle
- 8) Revenue cycle
- 9) Taxes

The Internal Control Unit continuously manages and updates the documentation relating to each of the processes, following the methodology established for this purpose. Any organisational change implies the revision of the control model to assess its impact and make any changes needed to guarantee its operational continuity. The main components identified for each process are:

- Risks
- Control activities. Also called "Process Level Controls" (hereinafter, "PLC"), except for the specific case of Information Systems processes, which are called Information Technology General Controls (hereinafter "ITGC").

The control activities ensure that, in the normal course of operations, for all the headings of the consolidated financial statements, ENDESA's control objectives are met.

The Internal Control model applied in 2020 entails an average coverage ratio of 94% of the main consolidated figures (total assets, indebtedness, income and profit before tax).

All information relating to the Internal Control model is documented in the Internal Control software tool SAP-GRC-PC. The persons responsible for each control activity are appointed by the process managers, and are responsible for carrying out the six-monthly self-assessments.

The Internal Control Unit provides those responsible for the processes and controls with the necessary support and guarantees the proper development of the evaluation process.

The ICFR assessment process includes:

- The certification of the Internal Control system, covering the following phases:
  - Self-assessment of the Control Activities, Management Controls, Segregation of Duties controls and access controls.
  - Sign-off by the Heads of the various Organisational Units involved, escalated through the company's hierarchical structure to the final sign-off by the CEO.

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All the above-mentioned phases are permanently monitored and supported by the Internal Control Unit.

- The verification carried out by the independent expert on the design and operation of a representative sample of the most relevant controls of ENDESA's ICFR.

The outcome of the Internal Control system certification and the results obtained as part of the verification performed by the independent expert are included in the report sent by the Internal Control Unit to the Transparency Committee and the Audit and Compliance Committee. The weaknesses detected are classified into three categories according to their possibility of impact on the financial statements as follows:

- Weaknesses of control (not significant)
- Significant weaknesses
- Material weaknesses

All the weaknesses detected in the Internal Control System entail the execution of a specific action plan to correct each of them. The Internal Control Unit reports to the Transparency Committee and the Audit and Compliance Committee on the weaknesses detected in the ICFR, until its final resolution.

### F.3.2 Internal IT control policies and procedures (access security, control of changes, system operation, operational continuity and segregation of duties, among others) which support significant processes within the company relating to the preparation and publication of financial information.

The Global Digital Solutions area is responsible for Information Systems and Telecommunications for all businesses and territories in which ENDESA operates.

One of the functions of Global Digital Solutions is the definition, application and monitoring of security standards, development and operation of applications and infrastructure, both for traditional models and for the new cloud computing paradigm. All computer activities are carried out applying the Internal Control model in the field of information technologies.

ENDESA's Internal Control model and in particular the Global Digital Solutions model includes computer processes, which include both the environment, architecture and infrastructures of information technologies, and applications that affect transactions, that directly affect the Company's main business processes, and therefore have an impact on Financial Reporting and the Company's closing processes. These controls can be carried out by means of automated activities in the computer programs or with manual procedures. ENDESA applies a global Internal Control model to IT systems considered relevant to the financial statements, focused on guaranteeing the overall quality and reliability of the Financial Information in the closing process and, therefore, of the information reported to the markets.

The Information Systems Internal Control model is structured in four areas:

- Planning and organisation
- Solution & Maintenance
- Service Delivery and Support
- Performance Monitoring

These areas are in turn developed into processes and sub-processes with the necessary specific indications to guarantee an appropriate level of control of the aspects of information technologies and ensure the integrity, availability and confidentiality of the economic and financial information of each Company.

The processes of the Internal Control model of the information technologies of ENDESA contain the control activities necessary to cover the risks of the following areas of management of information systems, processes and systems relating to Financial Reporting:

- IT environment
- Management of application changes
- Operations and operation of the Systems
- Logical security and physical access
- Telecommunications

To ensure the security of its information, in 2007, ENDESA set up its Information Security function, currently integrated into the Security Division of the Media Department, in response to requirements dictated by legislation, the technological environment and the market itself. For this purpose, it has the regulatory framework established in the field of information security, whose guiding principles are included in the Security Policy (Policy 168), in the Information Classification and Protection Policy (Policy 33) and in the Control Policy of logical access to information systems (Policy 25) which link to the Critical Event Management Policy (Policy 24) and its corresponding operational instruction (I.O. 131), as well as those that comply with specific legal requirements, such as the Operational Instructions for the Protection of Personal Data (I.O.) 1430) and Critical Infrastructure Protection (IO) 1391).

The Security Policy establishes the formal risk identification framework for the company's assets and it refers to the technical and organisational measures for managing and mitigating them. Observance of the laws in force and the application of safety regulations and standards is also established as a principle.

Its objective is:

- The protection of employees against risks of an intentional nature or derived from natural disasters
- The establishment of an internal security model for applications, networks and information systems, as well as industrial automation systems and control systems of the Company.
- The protection of tangible resources (workplaces, infrastructure systems belonging to the company) from threats that could alter their value or compromise their functional capacity.

The Information Protection and Classification Policy (Policy 33) has the following objectives:

- Ensure that information is properly managed and protected throughout its entire life cycle.
- Establish a system for classifying information and the security categories associated with it.
- Identification of roles and responsibilities in the management and protection of information assets.

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The Logic Access Control Policy for Information Systems (Policy 25), defines and implements the control model whose purpose is the security of logical access to the infrastructures and information systems of the company and guarantee the segregation of duties in operations through a systematised role assignment model and a digital tool that provides automated support for it.

Apart from this, in order to comply with the Critical Infrastructure Law (Law 8/2011), ENDESA, as a Critical Operator whose networks and information systems are susceptible of special protection, reinforced its control framework with the publication in 2018 of the Operational Instruction on Critical Infrastructure Security (IO 1391), which:

- defines security measures in the systems that support essential services;
- manages the escalation, internal management and communication of security incidents to the authorities.
- applies a tool for compliance with the control model defined.

Also, in relation to the General Data Protection Regulation 2016/679 (GDPR), the Operational Instructions for the Protection of Personal Data (IO 1430) ensure internal compliance with the regulations in ENDESA:

- They establish a risk assessment model for the processing of Personal Data.
- Define security measures according to the established risk level for prevention and mitigation.
- Configure the operational management of security incidents in information systems and/or assets (in line with the provisions of the Critical Events Management, Policy 24 and the IO 131), its assessment, scaling and internal communication, as well as its investigation and forensic analysis.
- Include a Control Framework on security measures applicable to processing with personal data, as well as their periodic update.

The Policy and Operational Instruction of Critical Events (Policy 24 and IO 131) ensure prompt and effective management of security incidents through the coordinated involvement of all the areas involved and their appropriate treatment in the communicational and institutional field, with the knowledge and under the supervision of the company's Management.

In 2007, ENDESA set up a Decision Rights Management function (currently known as Segregation of Duties, part of the ICFR Unit) to guarantee the identification, management and control of functional incompatibilities and ensure that no single person can dominate a critical process.

In relation to the above, the Segregation of Duties controls (ELC-SOD) and the logical access controls (ELC-ACCESS) are part of the ICFR and are evaluated and verified in the same way as the other controls forming part of the model.

### F.3.3 Internal control policies and procedures for overseeing the management of activities subcontracted to third parties, as well as of those aspects of assessment, calculation or valuation entrusted to independent experts, which may materially affect financial statements

When ENDESA subcontracts an activity necessary for the issuance of the financial statements, the supplier is required to guarantee the internal control of the activities carried out. In cases of process outsourcing, service providers are required to obtain an ISAE 3402 "International Standard on Assurance Engagements" report. In the case of delegation of computer infrastructure services (Datacenter and Hardware), they are required by contract to obtain an SOC1/SSAE16 report. These types of reports allow ENDESA to verify whether or not the control objectives of the service provider and the control activities that support them have worked during the corresponding period. In other cases, such as the delegation services of computer or software platforms, ENDESA obtains information from an independent expert that the services do not present any aspect that could lead to a significant deficiency in the process of obtaining the consolidated financial statements of ENDESA.

When ENDESA uses the services of an independent expert, the competence and technical and legal training of the professional is ensured. On the reports of the independent expert, ENDESA has implemented control activities and trained personnel to validate the reasonableness of its conclusions.

Additionally, there is an internal procedure for hiring external advisors that require certain levels of approval depending on the amount in question, including, where appropriate, the approval of the CEO of the Company. The results or reports of the contracting in accounting, tax or legal matters are supervised by those responsible for Administration, Finance and Control and by Legal Advice or other departments if deemed necessary.

## F.4. Information and communication.

Report on whether the company has at least the following, describing their main characteristics:

- F.4.1 A specifically assigned function for defining and updating accounting policies (accounting policy area or department) and resolving doubts or conflicts arising from their interpretation, maintaining a free flow of information to those responsible for operations in the organisation, as well as an up-to-date accounting policy manual distributed to the business units through which the company operates.

Responsibility for the application of ENDESA's accounting policies is unique for the entire geographical area of ENDESA and is centralised in ENDESA's General Management of Administration, Finance and Control.

In ENDESA's Administration, Finance and Control department there is a Standardisation and Reporting Unit, whose functions include the analysis of the application of IFRS and the General Plan of Spanish Accounting (hereinafter "PGC") to the companies of the ENDESA Group. To perform these functions, the Standardisation and Reporting Unit performs the following tasks:

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- Defining ENDESA's Accounting Policies.
  - Analysing executed or planned one-off transactions to determine the appropriate accounting treatment in line with ENDESA's accounting policies.
  - Monitoring new standards being worked on by the International Accounting Standards Board (IASB) and the *Instituto de Contabilidad y Auditoría de Cuentas* (ICAC), any new standards approved by the IASB and the related European Union endorsement process, assessing the impact that their implementation will have on the Group's consolidated financial statements.
  - Resolving any queries that may be made from any subsidiary company about the application of ENDESA's Accounting Policies.
- The Standardisation and Reporting Unit keeps all those with financial reporting responsibilities at the various levels within ENDESA abreast of amendments to accounting standards, settling any doubts they may have and gathering the required information from subsidiaries to ensure consistent application of ENDESA's accounting policies and to enable it to quantify the impact of application of new or amended accounting standards.
- ENDESA's Accounting Policies are developed on the basis of IFRS, and are included in a document called "ENDESA Accounting Manual". This document is periodically updated and distributed to those responsible for preparing the financial statements of the various Companies that make up ENDESA.

### F.4.2 Mechanisms for capturing and preparing financial information in standardised formats for application and use by all units of the entity or group, and support its main financial statements and notes, as well as disclosures concerning ICFR.

ENDESA has a series of IT tools (classified internally as relevant for the purposes of ICFR) to cover all the reporting needs of its individual financial statements in addition to facilitating the consolidation process and subsequent analysis. These tools form part of a homogeneous process, under a single audit plan for the information corresponding to the individual financial statements of ENDESA subsidiaries, including the notes and additional disclosures needed to prepare the consolidated financial statements.

On an annual basis, ENDESA obtains information from an independent expert to the effect that the tools do not present any aspect that could lead to a significant deficiency in the process of obtaining ENDESA's consolidated financial statements.

The capture of the information in the consolidation system is carried out through a loading process that begins in the economic (transactional) information system, which is also unique and is implemented in almost all ENDESA companies.

In turn, the ICFR is supported in a computer system, through which all the information necessary to determine the conclusions regarding the operation of the ICFR is obtained.

### F.5. Supervision of the functioning of the system

Report on at least the following, describing their principal features:

- F.5.1 The activities of the audit committee in overseeing ICFR as well as whether there is an internal audit function one of the responsibilities of which is to provide support to the committee in its task of supervising the internal control system, including ICFR. Additionally, describe the scope of ICFR assessment made during the year and the procedure through which the person responsible for performing the assessment communicates its results, whether the company has an action plan detailing possible corrective measures, and whether their impact on financial reporting has been considered.

Every six months, the Administration, Finance and Control Department's Internal Control Unit monitors the process by which the design and functioning of the ICFR system is evaluated and certified. It duly reports its findings to the Audit and Compliance Committee, which is the body responsible for ensuring adequate Internal Control of the information disclosed to the market under the supervision of the Audit and Compliance Committee.

To this end, the Internal Control Unit receives the evaluation of the Company Level Controls (ELC/CLC) and the Process Level Controls (PLC) and the Global Digital Solutions area receives the ITGC evaluation to verify:

- In the event of process changes, whether the identification of control activities has been duly updated and the new control activities sufficiently cover the process control risks.
- Whether all weaknesses in the control system design or functioning have been identified. A weakness refers to an incident which implies, to a greater or lesser extent, that the control system may not be able to guarantee with reasonable assurance the ability to acquire, prepare, summarise and disclose the Company's Financial Information.
- Whether the actual/potential impact of the aforementioned weaknesses has been evaluated and any required mitigating control activities put in place to guarantee the reliability of the financial information, notwithstanding the existence of these weaknesses.
- The existence of Action Plans for each weakness identified.

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In addition, throughout the year, the degree of progress of the action plans established by ENDESA for the correction of the deficiencies identified above is monitored. These plans are defined by those responsible for each process and shared with the Internal Control Unit.

Semi-annually, the Transparency Committee is informed and approves the evaluation of the model, the characterisation of the weaknesses and the status of the action plans.

Finally, on a semi-annual basis, the Administration, Finance and Control department presents to the Audit and Compliance Committee the conclusions of the evaluation process of the ICFR, as well as the evolution of the implementation of the action plans arising from the evaluation process of previous semesters.

The Audit and Compliance Committee is responsible for supervising the effectiveness of the monitor the effectiveness of internal controls on financial and non-financial information of the Company, which should include receiving reports from the internal control and internal audit managers, and determining the trustworthiness and reliability of the system, reporting such conclusions to the Board of Directors, as well as to discuss with the External Auditor any significant weaknesses in the internal control system detected during the audit. For such purpose, as the case may be, the Audit and Compliance Committee may submit recommendations or proposals to the Board of Directors, including the periods established for compliance therewith.

The semi-annual evaluations carried out in 2020 did not identify material weaknesses in the ICFR. The detail of the number of controls evaluated and reviewed by the independent expert is shown below:

Of 2,298 controls evaluated, 398 were reviewed by the external consultant (Of 2,084 PLC controls, 345 reviewed; of 200 ELC / CLC controls, 50 reviewed (ELC SOD 125 controls and 50 reviewed and Rest ELC/CLC 75 controls); of 14 ELC-ACCESS controls, 3 reviewed.

Additionally there are 108 general ITGC controls, 33 reviewed.

Therefore, the total number of Controls evaluated was 2,442 of which a total of 431 were reviewed by the external consultant.

In total, as a result of both the self-assessment process and the review carried out by the independent expert, 3 control weaknesses were identified that do not significantly affect the quality of the Financial Information, and 1 non-significant weakness related to general ITGC controls. In accordance with the above, ENDESA Management understands that the Internal Control Model for Financial Reporting for the period 1 January to 31 December 2020 was effective, as were the controls and procedures established to reasonably ensure that the information disclosed externally by ENDESA is reliable and adequate.

Furthermore, ENDESA's Internal Audit Unit, in performing process audits, identifies the main weaknesses in the Internal Control System, proposing the action plans required to resolve them, those responsible for implementing them and the corresponding period for following up.

In the course of this process, any incidents of fraud, no matter how insignificant, involving managers or staff participating in processes with a financial reporting impact are identified and reported.

Additionally, the independent expert contracted by Endesa's Audit and Compliance Committee to carry out a complete assessment of the functioning and effectiveness of Endesa's ICFR presents its results and conclusions to the Audit and Compliance Committee at its end-of-year meeting. Specifically, Deloitte concluded that its assessment of performance of Endesa's ICFR as relates to financial and non-financial reporting as at 31 December 2020 was satisfactory, having not discovered any deficiencies which would affect overall performance of said system.

**F.5.2** Whether there is a discussion procedure whereby the auditor (as defined in the Spanish Technical Audit Standards), the internal auditor and other experts can report to senior management and the audit committee or directors of the company any significant weaknesses in internal control identified during the review of the annual financial statements or any others they have been assigned. Additionally, state whether an action plan is available for correcting or mitigating any weaknesses detected.

Each year, the Board of Directors holds a meeting with the external auditor to receive information on the work performed and the financial position of and risks faced by the Company. ENDESA's auditor has access to ENDESA Senior Management, to which end it holds regular meetings in order to gather the information needed to perform its work and to notify any control weaknesses encountered in the course of its work.

For its part, the Internal Audit function periodically communicates to the Senior Management and the Audit and Compliance Committee the main Internal Control deficiencies identified in the review of the different processes during the year, as well as the status of implementation of the Action plans established for their mitigation.

The competencies of the Audit and Compliance Committee include regularly reviewing, analysing and commenting on the financial statements and other relevant non-financial information with Management, Internal Audit and the external auditor or, as the case may be, an independent expert.

### **F.6. Other relevant information.**

There is no other relevant information regarding the ENDESA ICFR that has not been disclosed in the foregoing sections of this report.

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### **F.7. External auditors report.**

Report:

- F.7.1 Whether the ICFR information sent to the markets has been subjected to review by the external auditor, in which case the entity should include the corresponding report as an attachment. If not, reasons why should be given.

In accordance with the provisions of Circular 7/2015 of 22 December of the Spanish National Securities Market Commission (CNMV), ENDESA presents in its Annual Corporate Governance Report for 2020 the information relating to the main characteristics of its internal control and risk management systems in relation to the process of Financial Reporting, following the structure proposed in the aforementioned Circular. Also, ENDESA has considered it pertinent to request that the external auditor issue a review report on the information described in this ICFR Report in accordance with the professional action guide established by the auditors' associations.

## ANNUAL CORPORATE GOVERNANCE REPORT OF LISTED PUBLIC LIMITED COMPANIES

### G. DEGREE OF COMPLIANCE WITH CORPORATE GOVERNANCE RECOMMENDATIONS

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Specify the company's degree of compliance with recommendations of the Good Governance Code for listed companies.

In the event that a recommendation is not followed or only partially followed, a detailed explanation of the reasons must be included so that shareholders, investors and the market in general have enough information to assess the company's conduct. General explanations are not acceptable.

1. That the articles of incorporation of listed companies should not limit the maximum number of votes that may be cast by one shareholder or contain other restrictions that hinder the takeover of control of the company through the acquisition of its shares on the market.  
  
Complies [ X ]      Explain [ ]
  
2. That when the listed company is controlled by another entity in the meaning of Article 42 of the Commercial Code, whether listed or not, and has, directly or through its subsidiaries, business relations with said entity or any of its subsidiaries (other than the listed company) or carries out activities related to those of any of them it should make accurate public disclosures on:
  - a) The respective areas of activity and possible business relationships between the listed company or its subsidiaries and the parent company or its subsidiaries.
  - b) The mechanisms in place to resolve any conflicts of interest that may ariseComplies [ X ]   Complies partially [ ]      Explain [ ]      Not applicable [ ]
  
3. That, during the ordinary General Shareholders' Meeting, as a complement to the distribution of the written annual corporate governance report, the chairman of the Board of Directors should inform shareholders orally, in sufficient detail, of the most significant aspects of the company's corporate governance, and in particular:
  - a) Changes that have occurred since the last General Shareholders' Meeting.
  - b) Specific reasons why the company has not followed one or more of the recommendations of the Code of Corporate Governance and the alternative rules applied, if any.Complies [ X ]   Complies partially [ ]      Explain [ ]



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**ANNUAL CORPORATE GOVERNANCE REPORT OF LISTED  
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4. That the company should define and promote a policy on communication and contact with shareholders and institutional investors, within the framework of their involvement in the company, and with proxy advisors that complies in all aspects with rules against market abuse and gives equal treatment to similarly situated shareholders. And that the company should publish this policy on its website, including information on how it has been put into practice and identifying the contact persons or those responsible for implementing it.

And that, without prejudice to the legal obligations regarding dissemination of inside information and other types of regulated information, the company should also have a general policy regarding the communication of economic-financial, non-financial and corporate information through such channels as it may consider appropriate (communication media, social networks or other channels) that helps to maximise the dissemination and quality of information available to the market, investors and other stakeholders.

Complies  Complies partially  Explain

5. That the Board of Directors should not submit to the General Shareholders' Meeting any proposal for delegation of powers allowing the issue of shares or convertible securities with the exclusion of preemptive rights in an amount exceeding 20% of the capital at the time of delegation.

And that whenever the Board of Directors approves any issue of shares or convertible securities with the exclusion of preemptive rights, the company should immediately publish the reports referred to by company law on its website.

Complies  Complies partially  Explain

6. That listed companies that prepare the reports listed below, whether under a legal obligation or voluntarily, should publish them on their website with sufficient time before the General Shareholders' Meeting, even if their publication is not mandatory:

- a) Report on the auditor's independence.
- b) Reports on the workings of the audit and nomination and remuneration committees.
- c) Report by the audit committee on related party transactions.

Complies  Complies partially  Explain

7. That the company should transmit in real time, through its website, the proceedings of the General Shareholders' Meetings.

And that the company should have mechanisms in place allowing the delegation and casting of votes by means of data transmission and even, in the case of large-caps and to the extent that it is proportionate, attendance and active participation in the General Meeting to be conducted by such remote means.

Complies  Explain

8. That the audit committee should ensure that the financial statements submitted to the General Shareholders' Meeting are prepared in accordance with accounting regulations. And that in cases in which the auditor has included a qualification or reservation in its audit report, the chairman of the audit committee should clearly explain to the general meeting the opinion of the audit committee on its content and scope, making a summary of this opinion available to shareholders at the time when the meeting is called, alongside the other Board proposals and reports.

Complies  Complies partially  Explain

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**ANNUAL CORPORATE GOVERNANCE REPORT OF LISTED  
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9. That the company should permanently publish on its website the requirements and procedures for certification of share ownership, the right of attendance at the General Shareholders' Meetings, and the exercise of the right to vote or to issue a proxy.

And that such requirements and procedures promote attendance and the exercise of shareholder rights in a non-discriminatory fashion.

Complies  Complies partially  Explain

10. That when a duly authenticated shareholder has exercised his or her right to complete the agenda or to make new proposals for resolutions in advance of the General Shareholders' Meeting, the company:

- a) Should immediately distribute such complementary points and new proposals for resolutions.
- b) Should publish the attendance, proxy and remote voting card specimen with the necessary changes such that the new agenda items and alternative proposals can be voted on in the same terms as those proposed by the Board of Directors.
- c) Should submit all these points or alternative proposals to a vote and apply the same voting rules to them as to those formulated by the Board of Directors including, in particular, assumptions or default positions regarding votes for or against.
- d) That after the General Shareholders' Meeting, a breakdown of the voting on said additions or alternative proposals be communicated.

Complies  Complies partially  Explain  Not applicable

11. That if the company intends to pay premiums for attending the General Shareholders' Meeting, it should establish in advance a general policy on such premiums and this policy should be stable.

Complies  Complies partially  Explain  Not applicable

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**ANNUAL CORPORATE GOVERNANCE REPORT OF LISTED  
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12. That the Board of Directors should perform its functions with a unity of purpose and independence of criterion, treating all similarly situated shareholders equally and being guided by the best interests of the company, which is understood to mean the pursuit of a profitable and sustainable business in the long term, promoting its continuity and maximising the economic value of the business.

And that in pursuit of the company's interest, in addition to complying with applicable law and rules and conducting itself on the basis of good faith, ethics and a respect for commonly accepted best practices, it should seek to reconcile its own company interests, when appropriate, with the interests of its employees, suppliers, clients and other stakeholders that may be affected, as well as the impact of its corporate activities on the communities in which it operates and on the environment.

Complies  Complies partially  Explain

13. That the Board of Directors should be of an appropriate size to perform its duties effectively and in a collegial manner, which makes it advisable for it to have between five and fifteen members.

Complies  Explain

14. That the Board of Directors should approve a policy aimed at favouring an appropriate composition of the Board and that:

- a) Is concrete and verifiable;
- b) Ensures that proposals for appointment or re-election are based upon a prior analysis of the skills required by the Board of Directors; and
- c) Favours diversity of knowledge, experience, age and gender. For these purposes, it is considered that the measures that encourage the company to have a significant number of female senior executives favour gender diversity.
- d) That the result of the prior analysis of the skills required by the Board of Directors be contained in the supporting report from the nomination committee published upon calling the General Shareholders' Meeting to which the ratification, appointment or re-election of each director is submitted.

The nomination committee will annually verify compliance with this policy and explain its findings in the annual corporate governance report

Complies  Complies partially  Explain

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**ANNUAL CORPORATE GOVERNANCE REPORT OF LISTED  
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15. That proprietary and independent directors should constitute a substantial majority of the Board of Directors and that the number of executive directors be kept to a minimum, taking into account the complexity of the corporate group and the percentage of equity participation of executive directors.

And that the number of female directors should represent at least 40% of the members of the Board of Directors before the end of 2022 and thereafter, and no less 30% prior to that date.

Complies  Complies partially  Explain

16. That the number of proprietary directors as a percentage of the total number of non-executive directors not be greater than the proportion of the company's share capital represented by those directors and the rest of the capital.

This criterion may be relaxed:

- a) In large-cap companies where very few shareholdings are legally considered significant.
- b) In the case of companies where a plurality of shareholders is represented on the Board of Directors without ties among them.

Complies  Explain

17. That the number of independent directors should represent at least half of the total number of directors.

That, however, when the company does not have a high level of market capitalisation or in the event that it is a large-cap company with one shareholder or a group of shareholders acting in concert who together control more than 30% of the company's share capital, the number of independent directors should represent at least one third of the total number of directors.

Complies  Explain

18. That companies should publish the following information on its directors on their website, and keep it up to date:

- a) Professional profile and biography.
- b) Any other Boards to which the directors belong, regardless of whether or not the companies are listed, as well as any other remunerated activities engaged in, regardless of type.
- c) Category of directorship, indicating, in the case of individuals who represent significant shareholders, the shareholder that they represent or to which they are connected.
- d) Date of their first appointment as a director of the company's Board of Directors, and any subsequent re-elections.
- e) Company shares and share options that they own..

Complies  Complies partially  Explain

19. That the annual corporate governance report, after verification by the nomination committee, should explain the reasons for the appointment of any proprietary directors at the proposal of shareholders whose holding is less than 3%. It should also explain, if applicable, why formal requests from shareholders for presence on the Board were not honoured, when their shareholding was equal to or exceeded that of other shareholders whose proposal for proprietary directors was honoured

Complies  Complies partially  Explain  Not applicable

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**ANNUAL CORPORATE GOVERNANCE REPORT OF LISTED  
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20. That proprietary directors representing significant shareholders should resign from the Board when the shareholder they represent disposes of its entire shareholding. They should also resign, in a proportional fashion, in the event that said shareholder reduces its percentage interest to a level that requires a decrease in the number of proprietary directors.

Complies [  ]    Complies partially [  ]    Explain [  ]    Not applicable [X]

21. That the Board of Directors should not propose the dismissal of any independent director before the completion of the director's term provided for in the articles of incorporation unless the Board of Directors finds just cause and a prior report has been prepared by the nomination committee. Specifically, just cause is considered to exist if the director takes on new duties or commits to new obligations that would interfere with his or her ability to dedicate the time necessary for attention to the duties inherent to his or her post as a director, fails to complete the tasks inherent to his or her post, or is affected by any of the circumstances which would cause the loss of independent status in accordance with applicable law.

The dismissal of independent directors may also be proposed as a result of a public takeover bid, merger or other similar corporate transaction entailing a change in the shareholder structure of the company, provided that such changes in the structure of the Board are the result of application of the proportionate representation criterion provided in Recommendation 16.

Complies [ X ]    Explain [  ]

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**ANNUAL CORPORATE GOVERNANCE REPORT OF LISTED  
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22. That companies should establish rules requiring that directors inform the Board of Directors and, where appropriate, resign from their posts, when circumstances arise which affect them, whether or not related to their actions in the company itself, and which may harm the company's standing and reputation, and in particular requiring them to inform the Board of any criminal proceedings in which they appear as suspects or defendants, as well as of how the legal proceedings subsequently unfold.

And that, if the Board is informed or becomes aware in any other manner of any of the circumstances mentioned above, it must investigate the case as quickly as possible and, depending on the specific circumstances, decide, based on a report from the nomination and remuneration committee, whether or not any measure must be adopted, such as the opening of an internal investigation, asking the director to resign or proposing that he or she be dismissed. And that these events must be reported in the annual corporate governance report, unless there are any special reasons not to do so, which must also be noted in the minutes. This without prejudice to the information that the company must disseminate, if appropriate, at the time when the corresponding measures are implemented..

Complies  Complies partially  Explain

23. That all directors clearly express their opposition when they consider any proposal submitted to the Board of Directors to be against the company's interests. This particularly applies to independent directors and directors who are unaffected by a potential conflict of interest if the decision could be detrimental to any shareholders not represented on the Board of Directors.

Furthermore, when the Board of Directors makes significant or repeated decisions about which the director has serious reservations, the director should draw the appropriate conclusions and, in the event the director decides to resign, explain the reasons for this decision in the letter referred to in the next recommendation.

This recommendation also applies to the secretary of the Board of Directors, even if he or she is not a director.

Complies  Complies partially  Explain  Not applicable

24. That whenever, due to resignation or resolution of the General Shareholders' Meeting, a director leaves before the completion of his or her term of office, the director should explain the reasons for this decision, or in the case of non-executive directors, their opinion of the reasons for cessation, in a letter addressed to all members of the Board of Directors.

And that, without prejudice to all this being reported in the annual corporate governance report, insofar as it is relevant to investors, the company must publish the cessation as quickly as possible, adequately referring to the reasons or circumstances adduced by the director.

Complies  Complies partially  Explain  Not applicable

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**ANNUAL CORPORATE GOVERNANCE REPORT OF LISTED  
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25. That the nomination committee should make sure that non-executive directors have sufficient time available in order to properly perform their duties.

And that the Board regulations establish the maximum number of company Boards on which directors may sit.

Complies  Complies partially  Explain

26. That the Board of Directors meet frequently enough to be able to effectively perform its duties, and at least eight times per year, following a schedule of dates and agendas established at the beginning of the year and allowing each director individually to propose other items that do not originally appear on the agenda.

Complies  Complies partially  Explain

27. That director absences occur only when absolutely necessary and be quantified in the annual corporate governance report. And when absences do occur, that the director appoint a proxy with instructions.

Complies  Complies partially  Explain

28. That when directors or the secretary express concern regarding a proposal or, in the case of directors, regarding the direction in which the company is headed and said concerns are not resolved by the Board of Directors, such concerns should be included in the minutes at the request of the director expressing them.

Complies  Complies partially  Explain  Not applicable

29. That the company should establishes adequate means for directors to obtain appropriate advice in order to properly fulfil their duties including, should circumstances warrant, external advice at the company's expense.

Complies  Complies partially  Explain

30. That, without regard to the knowledge necessary for directors to complete their duties, companies make refresher courses available to them when circumstances make this advisable.

Complies  Explain  Not applicable

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**ANNUAL CORPORATE GOVERNANCE REPORT OF LISTED  
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31. That the agenda for meetings should clearly indicate those matters on which the Board of Directors is to make a decision or adopt a resolution so that the directors may study or gather all relevant information ahead of time.

When, in exceptional circumstances, the chairman wishes to bring urgent matters for decision or resolution before the Board of Directors which do not appear on the agenda, prior express agreement of a majority of the directors shall be necessary, and said consent shall be duly recorded in the minutes..

Complies  Complies partially  Explain

32. That directors be periodically informed of changes in shareholding and of the opinions of significant shareholders, investors and rating agencies of the company and its group.

Complies  Complies partially  Explain

33. That the chairman, as the person responsible for the efficient workings of the Board of Directors, in addition to carrying out the duties assigned by law and the articles of incorporation, should prepare and submit to the Board of Directors a schedule of dates and matters to be considered; organise and coordinate the periodic evaluation of the Board as well as, if applicable, the chief executive of the company, should be responsible for leading the Board and the effectiveness of its work; ensuring that sufficient time is devoted to considering strategic issues, and approve and supervise refresher courses for each director when circumstances make this advisable.

Complies  Complies partially  Explain

34. That when there is a coordinating director, the articles of incorporation or Board regulations should confer upon him or her the following powers in addition to those conferred by law: to chair the Board of Directors in the absence of the chairman and deputy chairmen, should there be any; to reflect the concerns of non-executive directors; to liaise with investors and shareholders in order to understand their points of view and respond to their concerns, in particular as those concerns relate to corporate governance of the company; and to coordinate a succession plan for the chairman.

Complies  Complies partially  Explain  Not applicable

35. That the secretary of the Board of Directors should pay special attention to ensure that the activities and decisions of the Board of Directors take into account such recommendations regarding good governance contained in this Good Governance Code as may be applicable to the company.

Complies  Explain



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36. That the Board of Directors meet in plenary session once a year and adopt, where appropriate, an action plan to correct any deficiencies detected in the following:

- a) The quality and efficiency of the Board of Directors' work.
- b) The workings and composition of its committees.
- c) Diversity in the composition and skills of the Board of Directors.
- d) Performance of the chairman of the Board of Directors and of the chief executive officer of the company.
- e) Performance and input of each director, paying special attention to those in charge of the various Board committees.
- f) In order to perform its evaluation of the various committees, the Board of Directors will take a report from the committees themselves as a starting point and for the evaluation of the Board, a report from the nomination committee.

Every three years, the Board of Directors will rely for its evaluation upon the assistance of an external advisor, whose independence shall be verified by the nomination committee.

Business relationships between the external adviser or any member of the adviser's group and the company or any company within its group must be specified in the annual corporate governance report.

The process and the areas evaluated must be described in the annual corporate governance report.

Complies  Complies partially  Explain

37. That if there is an executive committee, it must contain at least two non-executive directors, at least one of whom must be independent, and its secretary must be the secretary of the Board.

Complies  Complies partially  Explain  Not applicable

38. That the Board of Directors must always be aware of the matters discussed and decisions taken by the executive committee and that all members of the Board of Directors receive a copy of the minutes of meetings of the executive committee.

Complies  Complies partially  Explain  Not applicable

39. That the members of the audit committee, in particular its chairman, be appointed in consideration of their knowledge and experience in accountancy, audit and risk management issues, both financial and non-financial.

Complies  Complies partially  Explain

40. That under the supervision of the audit committee, there should be a unit in charge of the internal audit function, which ensures that information and internal control systems operate correctly, and which reports to the non-executive chairman of the Board or of the audit committee.

Complies  Complies partially  Explain

41. That the person in charge of the unit performing the internal audit function should present an annual work plan to the audit committee, for approval by that committee or by the Board, reporting directly on its execution, including any incidents or limitations of scope, the results and monitoring of its recommendations, and present an activity report at the end of each year.



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Complies  Complies partially

Explain

Not applicable

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**ANNUAL CORPORATE GOVERNANCE REPORT OF LISTED  
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42. That in addition to the provisions of applicable law, the audit committee should be responsible for the following:
1. With regard to information systems and internal control:
    - a) Supervising and evaluating the process of preparation and the completeness of the financial and non-financial information, as well as the control and management systems for financial and non-financial risk relating to the company and, if applicable, the group - including operational, technological, legal, social, environmental, political and reputational risk, or risk related to corruption - reviewing compliance with regulatory requirements, the appropriate delimitation of the scope of consolidation and the correct application of accounting criteria.
    - b) Ensuring the independence of the unit charged with the internal audit function; proposing the selection, appointment and dismissal of the head of internal audit; proposing the budget for this service; approving or proposing its orientation and annual work plans for approval by the Board, making sure that its activity is focused primarily on material risks (including reputational risk); receiving periodic information on its activities; and verifying that senior management takes into account the conclusions and recommendations of its reports.
    - c) Establishing and supervising a mechanism that allows employees and other persons related to the company, such as directors, shareholders, suppliers, contractors or subcontractors, to report any potentially serious irregularities, especially those of a financial or accounting nature, that they observe in the company or its group. This mechanism must guarantee confidentiality and in any case provide for cases in which the communications can be made anonymously, respecting the rights of the whistleblower and the person reported.
    - d) Generally ensuring that internal control policies and systems are effectively applied in practice.
  2. With regard to the external auditor:
    - a) In the event that the external auditor resigns, examining the circumstances leading to such resignation.
    - b) Ensuring that the remuneration paid to the external auditor for its work does not compromise the quality of the work or the auditor's independence.
    - c) Making sure that the company informs the CNMV of the change of auditor, along with a statement on any differences that arose with the outgoing auditor and, if applicable, the contents thereof.
    - d) Ensuring that the external auditor holds an annual meeting with the Board of Directors in plenary session in order to make a report regarding the tasks performed and the development of the company's accounting situation and risks.
    - e) Ensuring that the company and the external auditor comply with applicable rules regarding the provision of services other than auditing, limits on the concentration of the auditor's business, and, in general, all other rules regarding auditors' independence.

Complies [ X ] Complies partially [ ] Explain [ ]

43. That the audit committee be able to require the presence of any employee or manager of the company, even stipulating that he or she appear without the presence of any other member of management.

Complies [ X ] Complies partially [ ] Explain [ ]

44. That the audit committee be kept abreast of any corporate and structural changes planned by the company in order to perform an analysis and draw up a prior report to the Board of Directors on the economic conditions and accounting implications and, in particular, any exchange ratio involved.

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Complies  Complies partially  Explain  Not applicable

45. That the risk management and control policy identify or determine, as a minimum:

- a) The various types of financial and non-financial risks (including operational, technological, legal, social, environmental, political and reputational risks and risks relating to corruption) which the company faces, including among the financial or economic risks contingent liabilities and other off-balance sheet risks.
- b) A risk control and management model based on different levels, which will include a specialised risk committee when sector regulations so require or the company considers it to be appropriate.
- c) The level of risk that the company considers to be acceptable.
- d) Measures in place to mitigate the impact of the risks identified in the event that they should materialised.
- e) Internal control and information systems to be used in order to control and manage the aforementioned risks, including contingent liabilities or off-balance sheet risks.

Complies  Complies partially  Explain

46. That under the direct supervision of the audit committee or, if applicable, of a specialised committee of the Board of Directors, an internal risk control and management function should exist, performed by an internal unit or department of the company which is expressly charged with the following responsibilities:

- a) Ensuring the proper functioning of the risk management and control systems and, in particular, that they adequately identify, manage and quantify all material risks affecting the company.
- b) Actively participating in drawing up the risk strategy and in important decisions regarding risk management.
- c) Ensuring that the risk management and control systems adequately mitigate risks as defined by the policy laid down by the Board of Directors. .

Complies  Complies partially  Explain

47. That in designating the members of the nomination and remuneration committee – or of the nomination committee and the remuneration committee if they are separate – care be taken to ensure that they have the knowledge, aptitudes and experience appropriate to the functions that they are called upon to perform and that the majority of said members are independent directors.

Complies  Complies partially  Explain

48. That large-cap companies have separate nomination and remuneration committees.

Complies  Explain  Not applicable

The ENDESA Board of Directors has decided not to separate the current Appointments and Remuneration Committee into two different committees ("appointments committee" and "remuneration committee"). The existence of a single committee guarantees the coordination (required and necessary between the two committees, if they were separated) in the matters of evaluation and remuneration, attracting and retaining talent and a focus on achieving results.

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49. That the nomination committee consult with the chairman of the Board of Directors and the chief executive of the company, especially in relation to matters concerning executive directors.

And that any director be able to ask the nomination committee to consider potential candidates that he or she considers suitable to fill a vacancy on the Board of Directors.

Complies  Complies partially  Explain

50. That the remuneration committee exercise its functions independently and that, in addition to the functions assigned to it by law, it should be responsible for the following:

- a) Proposing the basic conditions of employment for senior management to the Board of Directors.
- b) Verifying compliance with the company's remuneration policy.
- c) Periodically reviewing the remuneration policy applied to directors and senior managers, including share-based remuneration systems and their application, as well as ensuring that their individual remuneration is proportional to that received by the company's other directors and senior managers.
- d) Making sure that potential conflicts of interest do not undermine the independence of external advice given to the committee.
- e) Verifying the information on remuneration of directors and senior managers contained in the various corporate documents, including the annual report on director remuneration.

Complies  Complies partially  Explain

51. That the remuneration committee should consult with the chairman and the chief executive of the company, especially on matters relating to executive directors and senior management.

Complies  Complies partially  Explain

52. That the rules regarding the composition and workings of the supervision and control committees should appear in the regulations of the Board of Directors and that they should be consistent with those applying to legally mandatory committees in accordance with the foregoing recommendations, including:

- a) That they be composed exclusively of non-executive directors, with a majority of independent directors.
- b) That their chairpersons be independent directors.
- c) That the Board of Directors select members of these committees taking into account their knowledge, skills and experience and the duties of each committee; discuss their proposals and reports; and require them to render account of their activities and of the work performed in the first plenary session of the Board of Directors held after each committee meeting.
- d) That the committees be allowed to avail themselves of outside advice when they consider it necessary to perform their duties.
- e) That their meetings be recorded and their minutes be made available to all directors.

Complies  Complies partially  Explain  Not applicable

53. That verification of compliance with the company's policies and rules on environmental, social and corporate governance matters, and with the internal codes of conduct be assigned to one or divided among more than one committee of the Board of Directors, which may be the audit committee, the nomination committee, a specialised committee on sustainability or corporate social responsibility or such other specialised committee as the Board of Directors, in the exercise of its powers of self-organisation, may have decided to create. And that such committee be composed exclusively of non-executive directors, with a majority of these being independent directors, and that the minimum functions indicated in the next recommendation be specifically assigned to it.



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Complies  Complies partially

Explain

Not applicable

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54. The minimum functions referred to in the foregoing recommendation are the following:
- a) Monitoring of compliance with the company's internal codes of conduct and corporate governance rules, also ensuring that the corporate culture is aligned with its purpose and values.
  - b) Monitoring the application of the general policy on communication of economic and financial information, non-financial and corporate information and communication with shareholders and investors, proxy advisors and other stakeholders. The manner in which the entity communicates and handles relations with small and medium-sized shareholders must also be monitored.
  - c) The periodic evaluation and review of the company's corporate governance system, and environmental and social policy, with a view to ensuring that they fulfil their purposes of promoting the interests of society and take account, as appropriate, of the legitimate interests of other stakeholders.
  - d) Supervision of the company's environmental and social practices to ensure that they are in alignment with the established strategy and policy.
  - e) Supervision and evaluation of the way in which relations with the various stakeholders are handled.
- Complies [ X ] Complies partially [ ] Explain [ ]
55. That environmental and social sustainability policies identify and include at least the following:
- a) The principles, commitments, objectives and strategy relating to shareholders, employees, clients, suppliers, social issues, the environment, diversity, tax responsibility, respect for human rights, and the prevention of corruption and other unlawful conduct
  - b) Means or systems for monitoring compliance with these policies, their associated risks, and management.
  - c) Mechanisms for supervising non-financial risk, including that relating to ethical aspects and aspects of business conduct.
  - d) Channels of communication, participation and dialogue with stakeholders.
  - e) Responsible communication practices that impede the manipulation of data and protect integrity and honour.
- Complies [ X ] Complies partially [ ] Explain [ ]
56. That director remuneration be sufficient in order to attract and retain directors who meet the desired professional profile and to adequately compensate them for the dedication, qualifications and responsibility demanded of their posts, while not being so excessive as to compromise the independent judgement of non-executive directors.
- Complies [ X ] Explain [ ]

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57. That only executive directors should receive variable remuneration linked to corporate results and personal performance, as well as remuneration in the form of shares, options or rights to shares or instruments referenced to the share price and long-term savings plans such as pension plans, retirement schemes or other provident schemes.

Consideration may be given to delivering shares to non-executive directors as remuneration providing this is conditional upon their holding them until they cease to be directors. The foregoing shall not apply to shares that the director may need to sell in order to meet the costs related to their acquisition.

Complies  Complies partially  Explain

58. That as regards variable remuneration, remuneration policies should incorporate the necessary limits and technical safeguards to ensure that such remuneration is in line with the professional performance of its beneficiaries and not based solely on general developments in the markets or in the sector in which the company operates, or other similar circumstances.

And, in particular, that variable remuneration components:

- a) Are linked to pre-determined and measurable performance criteria and that such criteria take into account the risk incurred to achieve a given result.
- b) Promote the sustainability of the company and include non-financial criteria that are geared towards creating long term value, such as compliance with the company's rules and internal operating procedures and with its risk management and control policies.
- c) Are based on balancing the attainment of short-, medium- and long-term objectives, so as to allow remuneration of continuous performance over a period long enough to be able to assess its contribution to the sustainable creation of value, such that the elements used to measure performance are not associated only with one-off, occasional or extraordinary events.

Complies  Complies partially  Explain  Not applicable

59. That the payment of variable remuneration components be subject to sufficient verification that previously established performance or other conditions have effectively been met. Entities must include in their annual report on director remuneration the criteria for the time required and methods used for this verification depending on the nature and characteristics of each variable component.

That, additionally, companies consider the inclusion of a reduction ('malus') clause for the deferral of the payment of a portion of variable remuneration components that would imply their total or partial loss if an event were to occur prior to the payment date that would make this advisable.

Complies  Complies partially  Explain  Not applicable



**ANNUAL CORPORATE GOVERNANCE REPORT OF LISTED  
PUBLIC LIMITED COMPANIES**

60. That remuneration related to company results should take into account any reservations that might appear in the external auditor's report and that would diminish said results

Complies  Complies partially  Explain  Not applicable

61. That a material portion of executive directors' variable remuneration be linked to the delivery of shares or financial instruments referenced to the share price.

Complies  Complies partially  Explain  Not applicable

62. That once shares or options or financial instruments have been allocated under remuneration schemes, executive directors be prohibited from transferring ownership or exercising options or rights until a term of at least three years has elapsed.

An exception is made in cases where the director has, at the time of the transfer or exercise of options or rights, a net economic exposure to changes in the share price for a market value equivalent to at least twice the amount of his or her fixed annual remuneration through the ownership of shares, options or other financial instruments.

The forgoing shall not apply to shares that the director may need to sell in order to meet the costs related to their acquisition or, following a favourable assessment by the nomination and remuneration committee, to deal with such extraordinary situations as may arise and so require

Complies  Complies partially  Explain  Not applicable

63. That contractual arrangements should include a clause allowing the company to demand reimbursement of the variable remuneration components in the event that payment was not in accordance with the performance conditions or when payment was made based on data subsequently shown to have been inaccurate.

Complies  Complies partially  Explain  Not applicable

64. That payments for contract termination should not exceed an amount equivalent to two years of total annual remuneration and should not be paid until the company has been able to verify that the director has fulfilled all previously established criteria or conditions for payment.

For the purposes of this recommendation, payments for contractual termination will be considered to include any payments the accrual of which or the obligation to pay which arises as a consequence of or on the occasion of the termination of the contractual relationship between the director and the company, including amounts not previously vested of long-term savings schemes and amounts paid by virtue of post-contractual non-competition agreements.

Complies  Complies partially  Explain  Not applicable

The contractual conditions of the current executive director were established prior to this recommendation. However, ENDESA's Directors' Remuneration Policy establishes that when new directors are incorporated into Senior Management at the Company or Group, a maximum number of two years of total annual remuneration will be set as payment for contract termination, applicable in any case in the same terms to the executive director contracts.

## ANNUAL CORPORATE GOVERNANCE REPORT OF LISTED PUBLIC LIMITED COMPANIES

### H. FURTHER INFORMATION OF INTEREST

1. If there is any significant aspect regarding corporate governance in the company or other companies in the group that has not been included in other sections of this report, but which it is necessary to include in order to provide a more comprehensive and reasoned picture of the structure and governance practices in the company or its group, describe them briefly below.
2. This section may also be used to provide any other information, explanation or clarification relating to previous sections of the report, so long as it is relevant and not repetitive.

Specifically, indicate whether the company is subject to any corporate governance legislation other than that of Spain and, if so, include any information required under this legislation that differs from the data required in this report.

3. The company may also indicate whether it has voluntarily subscribed to other ethical or best practice codes, whether international, sector-based, or other. In such case, name the code in question and the date on which the company subscribed to it. Specific mention must be made as to whether the company adheres to the Code of Good Tax Practices of 20 July 2010:

#### CODE OF BEST PRACTICES

The Board of Directors of ENDESA, in its meeting of 20 December 2010, agreed ENDESA's accession to the Code of Good Tax Practices (CGTP). Likewise, on 25 January 2016, it ratified the accession of ENDESA, SA and its Spanish controlled subsidiaries to it, after the incorporation of an Annex with new conduct obligations for both the Company and the Administration.

Endesa's Board of Directors, at its meeting on 21 December 2020, agreed that Endesa and its controlled subsidiaries and branches in France and Portugal will adhere to the Codes of Good Tax Practices in each of these countries.

In compliance with the Corporate Governance rules on tax matters and the provisions of the Code of Good Tax Practices, the ENDESA Tax Affairs Manager periodically informs the Audit and Compliance Committee of the company's tax situation.

ENDESA has been presenting the Reinforced Transparency Report to the State Tax Administration Agency since 2016. The aforementioned Report is a breakdown of information that ENDESA voluntarily presents to the Administration in accordance with the provisions of the Annex to the Code of Good Tax Practices. On 16 July 2020 it presented the Report for the year 2019.

#### SECTION A.5

The following temporary joint ventures ("UTEs") were wound-up on 29 January 2021: Bollullos, Los Alcázares, Manacor and Castro del Río. The updated information is therefore as follows:

ENDESA X SERVICIOS, S.L.U. (Endesa Group subsidiary) and Enel Sole, S.r.L. (Enel Group subsidiary) holds a 50% interest in UTE Vélez Rubio.

ENDESA X SERVICIOS, S.L.U. (95%) and Enel Sole, S.r.L. (5%) (Enel Group subsidiary) are participating in the Abarán UTE.

ENDESA X SERVICIOS, S.L.U. (35%) and Enel Sole, S.r.L. (25%) (Enel Group subsidiary) are participating in the Móstoles UTE.

This annual corporate governance report was approved by the Board of Directors of the company, in its meeting held on:

[ 23/02/2021 ]



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**ANNUAL CORPORATE GOVERNANCE REPORT OF LISTED  
PUBLIC LIMITED COMPANIES**

Indicate whether any director voted against or abstained from voting from approving this Report.

Yes

No

**Anexo H.1- Matriz de competencias**

CONSEJEROS	CUALIDADES Y HABILIDADES								DIVERSIDAD			
	Finanzas y Riesgos	Ingeniería	Jurídico	Gestión	Estrategia	ICT	RRHH	Sostenibilidad y Gobierno Corporativo	Años en el cargo	Nacionalidad	Género	Edad
Juan Sanchez-Calero Guilarte	✓		✓	✓	✓			✓	1,8	ESP	H	64
Francesco Starace	✓	✓		✓	✓				6,6	ITA	H	65
José Bogas Gálvez	✓	✓		✓	✓				6,3	ESP	H	65
Maria Eugenia Bieto Caubet	✓			✓	✓		✓	✓	0,7	ESP	M	70
Antonio Cammisecra	✓	✓		✓	✓				1,3	ITA	H	50
Alejandro Echevarría Busquet	✓			✓	✓				11,6	ESP	H	78
Ignacio Garralda Ruiz de Velasco	✓		✓	✓	✓				5,8	ESP	H	69
Pilar Gonzalez de Frutos	✓		✓	✓	✓				0,7	ESP	M	64
M <sup>a</sup> Patrizia Grieco	✓		✓	✓	✓	✓		✓	3,8	ITA	M	68
Alicia Koplowitz y Romero de Juseu	✓			✓	✓			✓	0,7	ESP	M	66
Francisco de Lacerda	✓			✓	✓		✓	✓	5,8	PORT	H	60
Alberto de Paoli	✓			✓	✓				6,2	ITA	H	55
Miquel Roca Junyent	✓		✓	✓	✓		✓		11,6	ESP	H	80



Endesa, S.A.

Auditor's Report on the "Internal Control over  
Financial Reporting (ICOFR) Information" of Endesa,  
S.A. for 2020

*(Translation from the original in Spanish. In the event  
of discrepancy, the Spanish-language version  
prevails.)*



KPMG Auditores, S.L.  
Pº. de la Castellana, 259 C  
28046 Madrid

## **Auditor's Report on the "Internal Control over Financial Reporting (ICOFR) Information" of Endesa, S.A. for 2020**

To the Directors of Endesa, S.A.

As requested by the board of directors of Endesa, S.A. (the "Company") and in accordance with our proposal letter dated 12 November 2020, we have applied certain procedures to the "ICOFR information" attached hereto in section F of the Annual Corporate Governance Report (ACGR) of Endesa, S.A. for 2020, which summarises the Company's internal control procedures for annual financial reporting.

The board of directors is responsible for adopting the measures required to reasonably guarantee the implementation, maintenance and supervision of an adequate internal control system, as well as making improvements to this system and defining the content of and preparing the accompanying information concerning the ICOFR system.

In this connection, it must be borne in mind that irrespective of the quality of the design and operation of the internal control system adopted by the Company for annual financial reporting, this system can only provide reasonable but not absolute assurance as to the objectives sought, due to the limitations inherent in any form of internal control system.

In the course of our audit of the annual accounts and in accordance with International Standards of Auditing, our evaluation of the Company's internal control was conducted solely for the purpose of establishing the scope, nature and timing of the audit procedures for the Company's annual accounts. Consequently, the scope of our evaluation of internal control, performed for the purposes of the audit of accounts, was not sufficient to enable us to issue a specific opinion on the effectiveness of this internal control over regulated annual financial reporting.

For the purposes of issuing this report, we have applied only the specific procedures described below and set out in the Guidelines for preparing the auditor's report on the information on internal control over financial reporting of listed companies, published on the website of the Spanish National Securities Market Commission (CNMV), which define the work to be performed, the minimum scope thereof and the content of this report. As the scope of the work resulting from these procedures is in any event limited and substantially less than that of an audit or review of the internal control system, we do not express an opinion on the effectiveness thereof, nor on its design or operating effectiveness, with respect to the Company's annual financial reporting for 2020 described in the ICOFR information attached hereto. Consequently, had we applied procedures in addition to those determined by the aforementioned guide or conducted an audit or a review of the internal control system in relation to the annual regulated financial information, other matters or issues might have come to our attention that would have been reported to you.

Also, as this special work does not constitute an audit and is not subject to prevailing Spanish audit legislation, we do not express an audit opinion under the terms set forth in the aforementioned legislation.



The procedures performed are listed below:

1. Reading and understanding of the information prepared by the entity regarding ICOFR – disclosures included in the directors' report – and an evaluation of whether this information meets all the minimum reporting requirements, taking into account the minimum content described in section F, on the description of ICOFR, of the ACGR template provided in Spanish National Securities Market Commission (CNMV) Circular 5/2013 of 12 June 2013 and subsequently amendments, the most recent being CNMV Circular 1/2020 of 6 October 2020 (hereinafter the CNMV Circulars).
2. Inquiries of the personnel responsible for drawing up the information detailed in the point 1 above in order to: (i) obtain an understanding of the process that goes into drawing up the Information; (ii) obtain information that permits an evaluation of whether the terminology used complies with the framework definitions; (iii) obtain information on whether the control procedures described are in place and functioning in the Company.
3. Review the explanatory documentation supporting the information detailed in point 1 above, which will mainly include documents made directly available to those responsible for preparing the ICOFR descriptive information. This documentation includes reports prepared by internal audit, senior management and other internal or external specialists supporting the audit and compliance committee.
4. Comparison of the information detailed in point 1 above with the understanding of the Entity's ICOFR gained as a result of the procedures performed within the framework of the audit work on the annual accounts.
5. Reading of the minutes of the meetings of the board of directors, audit and compliance committee and other committees of the entity for the purposes of assessing the consistency of the matters discussed at these meetings in relation to ICOFR with the information detailed in point 1 above.
6. Obtaining a representation letter in connection with the work performed, signed by those responsible for preparing and approving the information detailed in point 1 above.

No inconsistencies or incidents that might affect ICOFR disclosures have come to light as a result of the procedures applied to those disclosures.

This report has been prepared exclusively within the context of the provisions of article 540 of the Revised Spanish Companies Act and the CNMV Circulars for the purposes of the description of ICOFR in annual corporate governance reports.

KPMG Auditores, S.L.

*(Signed on original in Spanish)*

Estibaliz Bilbao Belda

23 February 2021