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BOARD COMMITTEE INTEGRATED REPORT 2020
BOARD COMMITTEE INTEGRATED REPORT FOR FINANCIAL YEAR 2020

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

Endesa's Audit and Compliance Committee was voluntarily formed by the Board of Directors in 1998 in compliance with the so-called Olivencia (Corporate Governance) Code.

In 2002, Law 44/2002, on reform measures to the financial system, added the requirement to Law 24/1988, on the Securities Market, that all companies issuing securities, whose shares or stocks have been admitted to trade on official secondary securities markets, must have an Audit Committee.

Since 2010, the legal regime governing Audit Committees has been reinforced through implementation of the Spanish Capital Corporations Law, which gradually adopted additional good governance practices and principles.

In June 2017, the Spanish Securities Market Commission (CNMV) approved “Technical Guidelines 3/2017 on Audit Committees of Public Interest Companies” (Guía técnica 3/2017 sobre Comisiones de Auditoría de entidades de interés público), in accordance with, inter alia, the Statutory Auditing Law by virtue of which the monitoring of duties attributed to Audit Committees is entrusted to the CNMV.

Finally, it should be noted that the duties, organization and proceedings of Endesa's Audit and Compliance Committee are governed by its own regulations in accordance with law, the Bylaws, the Board of Directors Regulations and the Spanish Securities Market Commission (CNMV) Technical Guidelines.

2. COMPOSITION

The Company's Board of Directors, at its meeting in July 2020, approved the new composition of the Audit and Compliance Committee, at the proposal of the Appointments and Compensation Committee.

The primary reason for this change in composition of the Committee was that the term of office of the Chairman and of the Audit and Compliance Committee members ended on 19 September and 17 October 2020, respectively.

In addition, it is worth noting that Francisco de Lacerda was appointed as Committee Chairman for a term of four years. This appointment took into account Mr. De Lacerda's status as an independent director as well as his knowledge and experience in accounting, auditing and financial and non-financial risk management, as well as his availability to provide increased dedication to meet the needs of this position.

The composition of the Audit and Compliance Committee as of 31 December 2020 is:

<table>
<thead>
<tr>
<th>Position</th>
<th>Members</th>
<th>Date First Appointment</th>
<th>Date Last Appointment</th>
<th>Category</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chairman</td>
<td>Francisco de Lacerda</td>
<td>07/05/2015</td>
<td>01/09/2020</td>
<td>External/Independent</td>
</tr>
<tr>
<td>Director</td>
<td>Eugenia Bieto Caubet</td>
<td>01/09/2020</td>
<td>01/09/2020</td>
<td>External/Independent</td>
</tr>
<tr>
<td>Director</td>
<td>Pilar González de Frutos</td>
<td>01/09/2020</td>
<td>01/09/2020</td>
<td>External/Independent</td>
</tr>
<tr>
<td>Director</td>
<td>Alberto de Paoli</td>
<td>04/11/2014</td>
<td>01/09/2020</td>
<td>External/Shareholder-Appointed (1)</td>
</tr>
<tr>
<td>Director</td>
<td>Miguel Roca Junyent</td>
<td>30/06/2009</td>
<td>01/09/2020</td>
<td>External/Independent</td>
</tr>
<tr>
<td>Secretary</td>
<td>Borja Acha Besga</td>
<td>01/08/2015</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(1) Represents Enel
*Date of appointment as Chairman of the Audit and Compliance Committee
The Audit and Compliance Committee is comprised of five non-executive members from the Board of Directors, four of which are independent (80%). Furthermore, the Committee has a Shareholder-Appointed Director representing the controlling shareholder Enel, who holds 70.10% of the share capital of Endesa.

The Appointments and Compensation Committee ensured with its most recent proposals for reappointment and appointment of Audit and Compliance Committee members that the composition of this Committee was based on a previous analysis of its needs, and ensured that said proposals foster diversity in terms of knowledge, experience and gender, thereby explicitly declaring Endesa's commitment to the diverse composition of its governing bodies.

In particular, the composition of this Committee is intended to incorporate professional experiences and skills and different management skills, including those specific to the business carried out by the Company, as well as economic/financial, accounting and auditing, internal control, financial and non-financial business risk management, legal and sustainability-related skills, as well as to promote, to the extent possible, gender diversity.

- Gender: women represented 40% of the Committee in 2020, compared to 16.66% in 2019.
- Age: the average age on the Committee is 65.25, with ages ranging from 55 to 80.
- Seniority: average seniority of the Committee members for 2020 is 4.8 years, compared to 6.3 years in 2019.
- 40% of the Committee members are not Spanish nationals.
- The directors on the Committee come from diverse professional backgrounds, with a focus on finance and risk, in specific areas including economic/financial, accounting and auditing, internal control and business risk management, and legal. The Directors as a whole bring together sufficient technical knowledge and experience to be able to properly perform their duties.

As regards the training of Committee members, specific training was provided to the Audit and Compliance Committee members in October 2020, in accordance with Spanish Securities Market Commission (CNMV) Technical Guidelines 3/2017 on Audit Committees, to ensure that the new members have a consistent minimum baseline of knowledge about the company and to promote their active participation from the start. The agenda for this training session covered the following aspects: general operation of the Committee, duties relating to external audits, oversight of the drafting and publication of financial and non-financial information, internal control and risk management systems, related-party transactions, trading transactions, duties related to compliance and data protection and internal audit duties.

Endesa understands that diversity in all its forms, at every level of its professional team, is a key component to ensuring the Company's competitiveness and also plays a key role in its corporate governance strategy that ensures a critical attitude, as well as the expression of different points of view and positions and the analysis of its strong and weak points.

A detailed profile for each Audit and Compliance Committee member is provided on the Company's website.
3. COMMITTEE DUTIES

The primary duty of the Audit and Compliance Committee is to advise the Board of Directors and to monitor and oversee the independence of the statutory auditor, the effectiveness of internal control and risk management mechanisms, and the processes for drafting and presenting financial and non-financial information, as well as to report to the Board of Directors on related-party transactions.

In any case, the Committee shall have such duties as attributed thereto by law and as provided in the Board of Directors Regulations or the Committee Regulations.

Endesa’s Board of Directors approved 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. Therefore, the activities carried out in these areas during the period from January to September 2020 are included in this report, and all sustainability and corporate governance activities carried out between September and December 2020 are included in the Sustainability and Governance Committee Report.

4. COMMITTEE PROCEEDINGS AND MEETINGS

The Audit and Compliance Committee establishes an annual work plan laying out specific objectives for each of its duties as well as an annual meeting schedule, taking into account the time required for performance of each of the various duties and the meeting schedule of the Board of Directors.

The Audit and Compliance Committee shall meet in accordance with the annual meeting schedule, and 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 or, as the case may be, the Coordinating Director, subject to a minimum of four meetings per year and at least one meeting to be held upon publication of annual or interim financial information.

The Secretary shall, following the instructions of the Committee Chairman, channel and provide all required information and documentation to the remaining members of the Committee sufficiently in advance to ensure that all members have enough time to analyze the information and documentation prior to each meeting.
The Audit and Compliance Committee met eleven times during fiscal year 2020. The average attendance at the meetings held was 91%.

The Chairman of the Audit and Compliance Committee, through the Secretary, may request that the Chairman of the Board of Directors, the Managing Director or any other member of the Board of Directors attend any meeting of the Committee, as deemed appropriate and in all cases at the meeting to be held upon publication of annual or interim financial information; the Committee meetings may also be attended by internal audit representatives and, if a review report is issued, by the statutory auditor- for those agenda items in relation to which they were invited to attend. Any meetings held with the internal auditor or statutory auditor shall be held, at least in part, without the attendance of the Company's management so that any specific issues arising from the reviews performed may be discussed in private.

Notwithstanding the above, the Internal Audit Manager shall have effective direct access to the Audit and Compliance Committee.

Individual attendance by the Audit and Compliance Committee members in fiscal year 2020 is detailed below; however, information on the individual attendance of these Committee members at the meetings of the Board of Directors and, as the case may be, of any other Committees on which they may be members is provided in Schedule I.

<table>
<thead>
<tr>
<th>Directors</th>
<th>In-Person Attendance</th>
<th>Proxies (1)</th>
<th>Total Attendance (1)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Francisco de Lacerda</td>
<td>11/11</td>
<td>-</td>
<td>11/11</td>
</tr>
<tr>
<td>Eugenia Bieto Caubet</td>
<td>4/4</td>
<td></td>
<td>4/4</td>
</tr>
<tr>
<td>Alejandro Echevarría Busquet</td>
<td>6/7</td>
<td>0/1</td>
<td>6/7</td>
</tr>
<tr>
<td>Ignacio Garralda Ruíz de Velasco</td>
<td>7/7</td>
<td>-</td>
<td>7/7</td>
</tr>
<tr>
<td>Pilar González de Frutos</td>
<td>4/4</td>
<td></td>
<td>4/4</td>
</tr>
<tr>
<td>Alberto de Paoli</td>
<td>7/11</td>
<td>0/4</td>
<td>7/11</td>
</tr>
<tr>
<td>Miquel Roca Junyent</td>
<td>11/11</td>
<td>-</td>
<td>11/11</td>
</tr>
</tbody>
</table>

External Participation in Audit and Compliance Committee Meetings (2020):

The Chairman of the Audit and Compliance Committee requested the participation of the following at its Committee meetings: General Manager of Administration, Finance and Control (attended 11 meetings); Audit General Manager (attended 11 meetings); Managing Director (attended 11 meetings); Endesa's Data Protection Officer (attended 2 meetings); Tax Manager (attended 3 meetings); General Manager of People and Organization (attended 3 meetings); Sustainability General Manager (attended 1 meeting); ICT General Manager (attended 4 meetings); managers or heads of other corporate areas (attended 9 meetings) and finally, the external auditor (Ernst & Young has attended 2 meetings and KPMG has attended 3).

Attendance by an Executive or Director does not mean that they attended for the duration of the Committee meeting and only means that they attended for those agenda items for which they were invited.
5. WORK UNDERTAKEN DURING 2020

The Audit and Compliance Committee, through its Chairman, has reported to the Board of Directors on the development of each and every one of the meetings held. The key issues analyzed by the Committee in 2020 are as follows:

5.1 Financial and Non-Financial Information and Internal Control Mechanisms


The Audit and Compliance Committee, at its meeting on 24 February 2020, analyzed, with the participation of the General Manager of Administration, Finance and Control, the Individual and Consolidated Annual Financial Statements and Management Reports as at 31 December 2019 and the proposed application of earnings for fiscal year 2019, prior to the drawing up thereof by the Board of Directors.

In performing its oversight duties relating to its required report on annual financial statements, the Committee took into account the following:

- The Auditor's Report and, specifically, the final audit results.
- The effectiveness of the System of Internal Control Over Financial Reporting as evidenced by the reports of the Internal Control Unit, the Audit Department and of an independent expert (Deloitte), as well as by the statements of the external auditor.
- The accounting and financial explanations and arguments presented to the Committee by the Company's General Manager of Administration, Finance and Control.

Furthermore, the representatives of the external auditor, Ernst & Young, S.L., gave a presentation on the audit work performed and issued a favorable report on the Individual and Consolidated Annual Financial Statements and Management Reports for fiscal year closed 31 December 2019.

Additionally, the external auditor, in accordance with Article 11 of Regulation (EU) No. 537/2014 and Article 36 of the Spanish Statutory Auditing Law (LAC), presented and explained the contents of the additional report to the Audit and Compliance Committee, which addresses the following matters: Nature, frequency and scope of communication with the Board of Directors, Audit and Compliance Committee and Management; audit methodology used; qualitative factors which were considered when setting the level of materiality; knowledge of the relevant internal control system to design appropriate audit procedures, confirming no significant deficiencies have been identified in the system that need to be reported; assessment of the main valuation methods applied to the various items in the annual financial statements, confirming that they are in accordance with the relevant regulations.

companies for the fiscal year ending 31 December 2019; and the proposed application of earnings for the fiscal year ending 31 December 2019.

b) Individual and Consolidated Semi-Annual Financial Statements for the First Half of 2020 and Quarterly Consolidated Financial Information

During the period covered by this report, the Committee analyzed, prior to its presentation to the Board, and with the support of the General Manager of Administration, Finance and Control, the interim statements from the first and third quarter of 2020 and the semi-annual financial report for the first half of 2020.

The Audit and Compliance Committee favorably reported on the Consolidated Financial Statements for the aforesaid interim statements and semi-annual report.

The representatives of the external auditor, KPMG Auditores, S.L., reported to the Audit and Compliance Committee at its meeting on 27 July 2020 as regards work completed in relation to semi-annual statements.

c) System of Internal Control Over Financial Reporting

The Audit and Compliance Committee is also responsible for monitoring the effectiveness of the Company's internal controls over its financial and non-financial information.

The Audit and Compliance Committee monitored the following during fiscal year 2020:

- The System of Internal Control Over Financial Reporting for fiscal year 2019, at its meeting on 24 February 2020, based on the Reports issued by the Internal Control Unit of the Administration, Finance and Control Department, the Audit Department, and by an independent expert (Deloitte), who prepared three reports certifying that Endesa’s System of Internal Control Over Financial Reporting (SCIIF) is sufficiently trustworthy and reliable and that the assessment of operation of the System of Internal Control Over Financial Reporting (SCIIF) at 31 December 2019 was satisfactory, not revealing any deficiency that would affect the overall performance of said system.

- The System of Internal Control Over Financial Reporting for the first half of 2020, at its meeting on 27 July 2020, based on the Reports issued by the Internal Control Unit of the Administration, Finance and Control Department and by Endesa’s Audit Department, and which concluded that Endesa’s System of Internal Control Over Financial Reporting (SCIIF) is sufficiently trustworthy and reliable and that it operated effectively in the first half of 2020.

Additionally, the Committee agreed to renew the provision of services by Deloitte in fiscal year 2020 to monitor the effectiveness of the System of Internal Control Over Financial Reporting (SCIIF) and to report on the system’s trustworthiness and reliability.

d) Individual and Consolidated Non-Financial Information Statement for 2019


The Audit and Compliance Committee, at its meeting on 24 February 2020, analyzed, with the participation of the Sustainability General Manager, the Individual and Consolidated Non-Financial Information Statement for fiscal year 2019, verified by the Statutory Auditor.
In accordance with applicable regulations, the Non-Financial Information Statement includes 
the information necessary to understand the performance, results and position of the group, 
as well as the environmental, social and personal impact of its activities, and as relates to 
human rights and the fight against corruption and bribery. As regards human rights, the 
process for analyzing these rights and developing the associated action plan forms an essential 
part of the corporate responsibility strategy and practices.

Additionally, in October 2020, the Audit and Compliance Committee proposed to the Board of 
Directors the hiring of KPMG Auditores, S.L. to verify the Non-Financial Information Statement 
(EINF) of Endesa, S.A., which forms part of the Consolidated Management Report for fiscal year 
ending 31 December 2020.

e) Other Actions related to Financial and Non-Financial Reporting

As part of its duty to on-going oversight of the financial and non-financial information, the 
Committee has reviewed and analyzed the financial statements and other non-financial 
information with the Administration, Finance and Control Department, the Audit Department 
and the External Auditor. In this regard:

- The General Manager of Administration, Finance and Control presented the Financial 
  Management Report for 2019 and for the first half of 2020, which addressed the 
  following topics: macroeconomic environment, debt position, peers in the energy 
  sector, 2020/2024 debt projections and current financial transactions with Enel.

- The Audit General Manager is in attendance for all agenda items addressed by the 
  Committee in relation to financial reporting.

- The Committee, in the exercise of its oversight duties, has verified that the public 
  financial information drawn up by the Directors matches the information published on 
  the Endesa website and, in turn, published on the website of the Spanish Securities 
  Market Commission (CNMV), as well as that it complies with Circular 3/2015, on 
  technical and legal requirements on the information that must be included in the 
  websites of Spanish listed public limited companies.

- The Committee received information on the accounting treatment of employee 
  departure plans, in accordance with Endesa’s commitment, as laid out in its Strategic 
  Plan, to improve efficiency by various means including but not limited to the 
  digitalization of processes.

5.2 Internal Audit

One of the Audit and Compliance Committee's duties includes direct oversight of the Internal 
Audit function.

The Audit General Manager, in relation to the oversight duties of the Committee, regularly 
reported to the Committee on the activities of the Audit Department in 2020:

- Approval of the Internal Audit budget and work plan for 2020, as well as any 
  amendments arising during said period.
- Internal Audit reports from fiscal year 2019 and the first half of 2020, including a report 
  on ethical complaints.
- Report on compliance with Internal Audit action plans as at 31 December 2019 and 30 
  June 2020.
- Internal Audit Report on related-party transactions in the second half of 2019 and the 
  first half of 2020 and Report on performance of the technical service and management 
  support agreements with the Enel group.
Amendment of the Internal Audit Charter.

The Committee, according to its duty to ensure the independence and effectiveness of the internal audit function, shall assess, on annual basis, the operation of the Internal Audit function and performance of its manager.

In third regard, the Internal Audit function has completed a self-assessment in which it reviewed all work, methodologies and internal management carried out in 2019. Additionally, it participated in the benchmarking of the Institute of Internal Auditors completed in 2019 by several Spanish companies from different sectors, identifying certain areas for improvement such that the Internal Audit function can incorporate the latest trends in the profession. With the aim of implementing these improvements and ensuring on-going improvements in the work performed by the function, an Internal Audit Improvement Plan was established.

Additionally, the Committee, as relates to assessment of the performance of the Internal Audit manager:

- Received and approved the assessment of performance of the manager of the Internal Audit function, reported by the General Manager of People and Organization.
- And, as part of its duty to oversee calculation of the variable compensation of the Internal Audit manager, thus ensuring that the targets for this functional area do not compromise the manager's objectivity and independence, and notwithstanding the power of the Board of Directors to ultimately determine the applicable Compensation Policy, the Committee was notified of the 2019 variable compensation of the Audit General Manager and approved the proposed 2020 targets.

Finally, the Committee received an independence statement from the Internal Audit manager in accordance with the Internal Audit Charter, the International Standards on the Internal Auditing profession and the Code of Ethics of the Institute of Internal Auditors.

5.3 Statutory Audit

In performing its statutory audit duties the Audit and Compliance Committee:

- Issued and published the "Statutory Audit Results for Fiscal Year 2019" report on the Company's website, with a view to compliance with its duty to report to the General Shareholders' Meeting on audit results and on contributions of the audit to the integrity of the financial information.

- 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:
  - At a meeting on 24 February 2020, prior to issuance of the statutory auditor's report, and in accordance with Article 529 quaterdecies of the Spanish Capital Corporations Law, 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, S.L. 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 fiscal year 2019, until the end of the transition period with the new auditor, KPMG (June 2020)—, at its meetings on 27 January 2020 (E&Y), 4 May 2020 (E&Y and KPMG), 27 July 2020 (KPMG), 28 September 2020 (KPMG), 19 October 2020 (KPMG) and 21 December 2020 (KPMG).

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. This statement from KPMG Auditores, S.L. certifies that as of 31 December 2019:

  - It complies with the principle of independence as required by applicable law.
  
  - No non-audit services were provided in 2019 with the characteristics described in Article 5.1.e) of Regulation (EU) 537/2014, of the European Parliament and of the Council of 16 April 2014, in force from 17 June 2016.
  
  - As of 31 December 2019, all non-audit services had been completed and no collaboration of this nature was ongoing.

- Reported favorably to the Board of Directors on the increase in fees of Ernst & Young, S.L. for auditing the Individual and Consolidated Annual Financial Statements of Endesa, S.A., on the basis of the E4USERS project (segregation of duties), implementation of the E4E system, and expansion in the scope of the audit and necessary procedures to include audits of the Annual Financial Statements of Enel Green Power España, S.L.U. and its 47 audited subsidiaries and review of those consolidated under Enel GAAP and Endesa GAAP, and the increase in fees of KPMG Auditores, S.L. for presenting the annual financial report in accordance with a single European electronic reporting format (FEUE), as required by Delegated Regulation (EU) 2019/815, all of which changed the basis on which the fees were determined.

- Received information on the proposed fees of the statutory auditor (KPMG Auditores, S.L.) for auditing the Individual Annual Financial Statements, for the 2020-2022 period, of certain subsidiaries of Endesa, S.A. that were incorporated in 2019 and 2020 after KPMG was hired as the Statutory Auditor of Endesa, S.A.
Received information from the new Statutory Auditor on its work plan for fiscal year 2020, as well as on the audit team and audit experience, skills and audit requirements. The Audit Transition Plan between E&Y and KPMG was also explained, as well as the status of the review in June and November 2020.

Finally, 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.

5.4 Risk Management and Control System

The Audit and Compliance Committee is also responsible for monitoring the effectiveness of the risk management and control system.

In this regard, the Audit and Compliance Committee, in exercise of its oversight duties:

- Reported on the update of the General Risk Control and Management Policy to the Board of Directors in June and December 2020.
- Proposed to the Board of Directors the annual assessment of the financial and non-financial risks, the 2020 Risk Appetite Framework and the 2020 Risk Map, previously reported on by the Managing Director, General Manager of Institutional Relations and Regulation, General Manager of Energy Management, General Manager of Marketing, General Manager of Infrastructure and Networks, General Manager of Generation, General Manager of Nuclear, General Manager of Digital Solutions and General Manager of Administration, Finance and Control.
  As compared to the 2019 map, the process has been improved and the inventory of relevant risks has been updated to reflect the current environment, primarily given the impact of COVID-19.
- Reviewed the effectiveness of the risk management system, including tax risks, on a quarterly basis, based on the information received from the General Manager of Administration, Finance and Control, at its meetings on 20 March 2020, 22 June 2020, 28 September 2020 and 21 December 2020.

The Audit and Compliance Committee appointed the Risk Committee as the oversight body for the tax compliance system, in accordance with the provisions of Standard UNE 19602, at all times under the direct supervision of the Audit and Compliance Committee, a body that has already been entrusted with the duty to oversee and ensure the effectiveness of the Group's tax risk management and control system, in accordance with the provisions of the Spanish Capital Corporations Law.

Additionally, and in compliance with the requirement laid out in Spanish Securities Market Commission (CNMV) Technical Guidelines 3/2017 to receive regular reports on operation of the established systems and on the conclusions reached regarding the risk management system, the Committee received, inter alia, the following information:

- From the General Manager of Administration, Finance and Control, information on the Company's actions related to management of the coronavirus crisis (COVID-19), focusing on the protection of people and business continuity.
✓ Report from the General Manager of Digital Solutions on cybersecurity, included within the Committee's review and oversight of non-financial risks at its two meetings in July and December 2020 due to the significance and increase in cyberattacks.

✓ Report from the General Manager of Nuclear on the main risks associated with Endesa’s nuclear business, their potential impact and the means of controlling and mitigating such risks.

✓ Report from the General Manager of Institutional Relations and Regulation on the main regulatory risks associated with the regulated activities of electricity distribution and electricity systems in non-mainland territories.

5.5 Corporate Governance

The primary Corporate Governance actions performed by the Audit and Compliance Committee through September of fiscal year 2020 were as follows:

✓ Report favorably on the following, prior to approval by the Board of Directors:
  - The proposed amendment of the “Audit and Compliance Committee Regulations” in September 2020;
  - The proposed Amendment of the Board of Directors Regulations at its meeting in September 2020, in relation to its duties;
  - Update to the Policy on Communications with Shareholders and Investors, at its December 2020 meeting, in relation to its duties.

✓ Monitor compliance with the Company's corporate governance rules:
  - Monitoring compliance with the Communications and Shareholder and Investor Relations Strategy with a view to ensuring the transparency, comprehensiveness and accuracy of the information provided to its shareholders and institutional investors.
  - In this regard, and in light of the fact that Endesa's website serves as the Company's main official channel for communication with shareholders, investors and the market in general, the Committee has, in the performance of its oversight duties, agreed to verify that the financial information published on the CNMV website is up-to-date and matches the information published on the corporate website, as well as to ensure that it complies with Circular 3/2015, of the Spanish Securities Market Commission (CNMV), all with the assistance of the external advisor Deloitte.
  - The Audit and Compliance Committee, with a view to increasing reliability and transparency in the functioning of the General Shareholders' Meeting, so as to safeguard the rights of shareholders throughout the process of convening, preparing and holding the Meeting, approved a revision by the external advisor Deloitte of the 2020 General Shareholders' Meeting, which concluded with verification of compliance with all procedures applicable to the General Shareholders' Meeting.

✓ Propose the following reports to the Board of Directors for approval and publication:
  - Audit and Compliance Committee Report and report on related-party transactions carried out with significant shareholders and directors during 2019, all at its meeting on 27 January 2020.

✓ At its meeting on 21 December 2020, the Audit and Compliance Committee approved a meeting schedule and annual work plan for 2021, as well as its 2021 targets, and also verified attainment of the established targets for fiscal year 2020.

✓ The Committee reported on a request for information from the Spanish Securities Market Commission (CNMV) in relation to exposure to LIBOR and risk-free benchmarks and which was made generally to Spanish companies.
5.6 Tax Matters

The primary actions carried out by the Audit and Compliance Committee in 2020 in performance of its tax-related duties were as follows:

- Becoming acquainted with the Tax Policies followed by Endesa during 2019, thereby complying with the Corporate Governance implementing regulations related to tax matters as well as with the provisions of the Code of Good Tax Practices (CBPT) to which Endesa and its Subsidiaries are signatories.

- Receive information on updates to Endesa's tax risk management and control policy to ensure compliance with the UNE 19602 standards on Tax Compliance Management Systems.

- Receive information quarterly on the Company's tax position, thereby complying with the Corporate Governance implementing regulations related to tax matters as well as with the provisions of the Code of Good Tax Practices (CBPT). Additionally, the Committee was informed that a Tax Transparency Report was issued containing all information relevant for third parties and that the Spanish Standardization and Certification Association (Asociación Española de Normalización y Certificación - AENOR) certified Endesa's Tax Control Framework in accordance with the provisions of the UNE 19602 Tax Compliance Standard.

- Receive information on compliance by Endesa with the Code of Good Tax Practices (CBPT) of France and Portugal.

5.7 Regulatory Compliance

The main actions carried out by the Audit and Compliance Committee during fiscal year 2020 in performance of its crime risk prevention duties were as follows:

- Monitoring compliance with the Crime Risk Prevention and Anti-Bribery Model:
  - Approval of the program of activities of the Crime Risk Supervisory Committee for fiscal year 2020.
  - Approval of the engagement of AENOR for a 3-year renewal of Endesa's Crime Risk Prevention and Anti-Bribery Model certifications under the UNE 19601 (Criminal Compliance Management Systems) and ISO 37001 (Anti-Bribery Management Systems) standards.

- Propose updates to Endesa's "Criminal Compliance and Anti-Bribery Management System" to the Board of Directors: (a) update to the "Protocols in the event of Actions taken by the Authorities in accordance with Art. 31 Bis of the Criminal Code", as well as to the "Crime Risk and Anti-Bribery Report" to bring it in line with Law 1/2019, of 20 February, amending the Criminal Code; and (b) approval of a new "Protocol on the Defense of Individual Rights" and partial adaptation of the "Human Rights Policy" to be included as part of the "Criminal Compliance and Anti-Bribery Management System".
Monitoring compliance with applicable data protection regulations and receiving information on the requirements of the competent bodies, through the reporting of information by the Data Protection Officer, at its meetings held in May and December 2020.

5.8 Corporate Social Responsibility and Sustainability

The key corporate social responsibility and sustainability actions performed by the Audit and Compliance Committee through September 2020 were:

- Monitoring compliance with the corporate social responsibility practices relating to human rights.
- Reporting to the Board of Directors on Endesa’s Sustainability Report for fiscal year 2019.
- Reporting to the Board of Directors on Endesa’s 2020-2024 Sustainability Plan and monitoring annual compliance with the 2019-2023 Sustainability Plan.

5.9 Related-Party Transactions

All information on related-party transactions reported by the Committee in 2020 is available in the “Report on Related-Party Transactions Carried out with Significant Shareholders and Directors reported by the Audit and Compliance Committee to the Board of Directors during fiscal year 2020.”

Additionally, at its meeting on 24 February 2020, the Committee reviewed the Internal Audit Report on related-party transactions carried out in 2019 and, at its meeting on 27 July 2020, reviewed the report on related-party transactions carried out from January to May 2020.

6. ASSESSMENT OF THE AUDIT AND COMPLIANCE COMMITTEE

In accordance with the provisions of Article 529 nonies of the Spanish Capital Corporations Law (LSC) and with Recommendation 36 of the Corporate Governance Code for Listed Companies of the Spanish Securities Market Commission (CNMV), the annual performance assessment on the effectiveness of the Audit Committee for 2019 was completed. It is also recommended that, at least every three years, an external advisor assist the Board of Directors in carrying out the assessment. In this regard, the external advisor KPMG assisted with the 2015 assessment, the external advisor Deloitte with the 2018 assessment and, in 2019, Endesa’s Board of Directors decided that the assessment would be carried out with the advice of Gómez-Acebo & Pombo as part of its ongoing commitment to implementing corporate governance, international best practices and Technical Guidelines 1/2019 on Appointments and Compensation Committees published by the Spanish Securities Market Commission (CNMV), which include a section on the assessment of the Board of Directors and its specialized committees, establishing the minimum aspects that must be addressed in the assessment.

Based on the results of this assessment, the Audit and Compliance Committee acknowledged and expressed its agreement and satisfaction with the results, reporting favorably on the findings of its assessment for fiscal year 2019, which was included as part of the overall assessment of the Company’s Board of Directors.

Additionally, the Board of Directors approved commencement of the process and methodology for assessment of the Audit and Compliance Committee’s operations in fiscal year 2020, which was completed with the assistance of the external advisor Gómez Acebo & Pombo, who presented its findings to this Committee at its meeting in January 2021. The assessment concluded that the Committee’s operation is satisfactory and that said Committee is properly carrying out the duties entrusted thereto.
7. INFORMATION ON THE COMMITTEE'S OPINION ON STATUTORY AUDITOR INDEPENDENCE

The Report of Endesa's Audit and Compliance Committee on independence of the statutory auditor was approved at a meeting on 24 February 2020. This Report states that all additional services provided by Ernst & Young, S.L., and the network through which it operates, to Endesa, S.A. and its group companies, do not compromise, to the best of its knowledge, the independence of the audit firm.

8. COMPLIANCE WITH PRACTICAL GUIDELINES

The actions of Endesa's Audit and Compliance Committee are based on the applicable legislation as well as on the Bylaws, Board of Directors Regulations, Audit and Compliance Committee Regulations, Corporate Governance Code for Listed Companies and Spanish Securities Market Commission (CNMV) Technical Guidelines 3/2017 on Audit Committees of Public Interest Companies.

Additionally, following publication by the Spanish Securities Market Commission (CNMV), on 27 June 2017, of the Technical Guidelines on Audit Committees of Public Interest Companies, the importance of the Guidelines approved by the CNMV and of compliance by Endesa with a majority of such guidelines was reported to Endesa's Audit and Compliance Committee on 24 July 2017. The Committee concluded that the Guidelines should be understood as an opportunity for improvement and thus made a specific proposal for measures to be implemented in compliance with the recommendations made under said Guidelines. As of the date of this report Endesa has performed all actions required to ensure compliance with the criteria and recommendations laid out in said Guidelines.

9. CONCLUSIONS

This Audit and Compliance Committee Report for 2020 is intended to provide shareholders and other interested parties with the opportunity to learn about the duties performed and works completed, and is drawn up with the intention of meeting those criteria laid out in the Spanish Securities Market Commission (CNMV) Technical Guidelines 3/2017 on Audit Committees of Public Interest Companies.

10. DATE OF PREPARATION BY THE AUDIT COMMITTEE OF THE REPORT AND DATE OF APPROVAL BY THE BOARD OF DIRECTORS

This report was drawn up by the Audit and Compliance Committee for approval by Endesa's Board of Directors on 22 January 2021 and will be published on the Company's website for the Annual General Shareholders' Meeting.
B) ENDESA, S.A. AUDIT AND COMPLIANCE COMMITTEE REPORT ON THE INDEPENDENCE OF THE STATUTORY AUDITOR OR AUDIT FIRMS
ENDESA, S.A. AUDIT AND COMPLIANCE COMMITTEE REPORT ON THE INDEPENDENCE OF THE STATUTORY AUDITOR

Justification

In accordance with Article 529 \textit{quaterdecies} 4.f) of the amended and restated text of the Capital Corporations Law, with Spanish Securities Market Commission (CNMV) Technical Guidelines 3/2017 on Audit Committees of Public Interest Companies, with Article 16.3 of Endesa, S.A.’s Audit and Compliance Committee Regulations, and with Endesa, S.A.’s Policy for the Provision of Non-Audit Services and Relations with the Statutory Auditor, the Committee hereby issues, prior to issuance of the Statutory Auditor's Report, this Report expressing an opinion on whether the independence of the Statutory Auditor for the Company and its Consolidated Group was compromised in fiscal year 2020.

This Report includes, \textit{inter alia}, a justified assessment of each of the additional services, accounted for both on a stand-alone and collective basis, which were provided apart from the Statutory Auditing, in relation to independence requirements or regulations governing statutory audit activities.

In accordance with the Corporate Governance Code for Listed Companies, this Report will be published on the Company’s website for the Annual General Shareholders’ Meeting.

Endesa, S.A.’s Audit and Compliance Committee, with a view to expressing an opinion on the independence of the Statutory Auditor for fiscal year 2020, has considered:

1. Relations with Statutory Auditor

The Audit and Compliance Committee of Endesa, S.A. has developed the relevant relationships with the Statutory Auditor in order to receive information on all matters which may place their independence at risk, to be examined thereby, as well as on any other matters related to the auditing of the accounts, including all reporting information as provided for by accounting and auditing standards and practices.

In accordance with Recommendation 42.2 d) of the Corporate Governance Code for Listed Companies, with Article 33 of the Board of Directors Regulations, and Article 3.1 of Endesa, S.A.’s Policy for the Provision of Non-Audit Services and Relations with the Statutory Auditor, the Audit and Compliance Committee of Endesa, S.A. maintains an objective, professional and ongoing relationship with the Company's Statutory Auditor, respecting the independence thereof and ensuring that said Auditor is provided with all information necessary to carry out its work.

In accordance with the above-mentioned Policy, the Audit and Compliance Committee of Endesa, S.A. is required to assess and monitor the independence and objectivity of the Statutory Auditor, KPMG Auditores, S.L.; build the necessary relationship therewith in order to obtain information on any issues that could pose a threat to the Statutory Auditor's independence or undermine the Statutory Auditor’s ability to effectively perform its audit work, all in accordance with Endesa, S.A.’s Audit and Compliance Committee Regulations and best corporate governance practices.
For this purpose, KPMG Auditores, S.L. has attended several meetings of the Audit and Compliance Committee of Endesa, S.A. to report on the following items:


- Procedures Agreed to for information relating to the Internal Financial Reporting Control System (SCIIF).


- Additional Report to the Audit and Compliance Committee of Endesa, S.A. detailing the results of the audit carried out.


It should also be noted that at said meetings, the Statutory Auditor did not report any circumstances which could have compromised its independence.

Furthermore, the Partner in charge from KPMG Auditores confirmed to the Audit and Compliance Committee of Endesa, S.A. that the Company's employees collaborated with and provided the Statutory Auditor team with all information required to perform their duties.

Additionally, in accordance with best Corporate Governance practices and by virtue of Endesa's Board of Directors Regulations, the Board shall meet with the Statutory Auditor at least once per year in order to obtain information on the work performed and on development of the Group's accounting position and risks.

In this regard, in fiscal year 2020, KPMG Auditores, S.L., attended one meeting of the Company's Board of Directors, to report on:

(i) Audit Planning: audit schedule, team, materiality for consolidated and individual audit; and scope of the Group audit;

(ii) Group Audit Focus Areas: potential key audit issues (income, provisions for pensions and similar obligations, provisions for the decommissioning and impairment of non-financial assets) and other significant audit matters (litigation and other related provisions, useful life of assets, related-party transactions, derivatives, credit risk and management override of controls);
(iii) Individual Audit Focus Areas: potential key audit issues (provisions for pensions and similar liabilities, provisions for impairment of non-financial assets) and other significant audit matters (litigation and other related provisions, related-party transactions, derivatives, going-concern assessment and management override of controls);

(iv) COVID-19: macroeconomic effects of the pandemic; audit implications and impacts on Endesa; and

(v) Other Topics: European Single Electronic Format (ESEF) regulations and tax developments.

2. Statement on Independence of the Statutory Auditor

In accordance with Article 529 quaterdecies 4.e), of the Capital Corporations Law, the Audit and Compliance Committee of Endesa, S.A. has received, from the Company’s Statutory Auditor, KPMG Auditores, S.L., prior to issuance hereof, written notice stating that it met all applicable independence requirements, thus confirming its independence from Endesa, S.A. and companies related thereto, whether directly or indirectly, also providing detailed and individualized information on the additional services of any nature provided and the applicable fees received, thus confirming its independence from Endesa, S.A. and companies related thereto, whether directly or indirectly, and which stated the following:

- The team in charge of performing the Audit as well as the Audit Firm, including all relevant extensions thereof, has complied with all independence requirements as set forth in the applicable Statutory Auditing regulations in Spain.

- KPMG Auditores, S.L. has internal policies and procedures in place that were designed to provide reasonable assurance that the Audit Firm and its employees and, as the case may be, other persons covered by independence requirements (including personnel from other firms within its Network), maintain their independence when so required by applicable regulations. These procedures include procedures aimed at identifying and assessing threats which may arise in circumstances related to audited companies, including threats which could result in incompatibility and/or which may require the implementation of the necessary safeguards to reduce such threats to an acceptably low level.

In this regard, KPMG Auditores, S.L., in its professional opinion and as relates to said audit, hereby declares that no circumstances were uncovered which, individually or jointly, could pose a significant threat to its independence, and which would therefore require the implementation of safeguards, or which could result in a case of incompatibility.

Furthermore, KPMG Auditores, S.L., in accordance with the regulations in force, has specified the fees charged for the services provided to Endesa, S.A. and its Group companies in fiscal year 2020 (see Schedule I).
In accordance with the Action Protocol for Relations Between Endesa S.A. and Enel S.p.A., for the purpose of ensuring that Endesa’s Audit and Compliance Committee is aware of any non-audit services provided by its statutory auditor or by members of its network to the parent company Enel such that it can confirm the independence of its statutory auditor, Endesa’s Audit and Compliance Committee, as relates to the services provided by Endesa’s Statutory Auditor or by any company from within its network to Enel, received the following from the auditor, 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.

ENDESA’s Audit and Compliance Committee, respecting the autonomy of ENEL’s Collegio Sindacale to analyze and authorize non-audit services provided by the statutory auditor to ENEL, and taking into account the information provided by the auditor, notes that, in its opinion, the aforementioned services do not affect the auditor's independence in analyzing ENDESA's financial statements.

3. Statutory Auditor Fees and Services Provided

- In accordance with applicable law and with the authorization procedure laid out in Endesa’s Policy for the Provision of Non-Audit Services and Relations with the Statutory Auditor, the Audit and Compliance Committee of Endesa, S.A. has authorized, prior to their execution, the service agreements for non-audit services between Endesa, S.A. or its Group companies and KPMG Auditores, S.L. or any firm within its Network, following an individual and global analysis of any potential threats to independence resulting from said agreements, including the fee limit established in said Policy.

The Policy for the Provision of Non-Audit Services and Relations with the Statutory Auditor of Endesa, S.A. provides that total fees received by the Company’s Statutory Auditor for non-audit services shall not exceed 70% of
total annual fees paid for statutory audit of the accounts of the Company and its subsidiaries and, where applicable, for audit of the Company's Semi-Annual Individual and Consolidated Financial Statements.

This fee limit does not include any services, other than the required auditing of accounts or of the Semi-Annual Individual and Consolidated Financial Statements, which the Statutory Auditor is required to perform in accordance with EU or Spanish Law.

- It has been also requested that the Statutory Auditor submit a Certificate of Independence for each one of the additional services to be rendered, prior to the approval thereof by the Audit and Compliance Committee of Endesa, S.A., in which the Statutory Auditor confirms that, to the best of its knowledge, the services comply with the relevant independence requirements.

- Additionally, the Audit and Compliance Committee must ensure that compensation of the Statutory Auditor for work completed does not compromise its quality or independence and verify limits on the concentration of the Auditor's business.

In this regard, it should be noted that the services provided by KPMG Auditores, S.L. and its Network to Endesa, S.A. and its Group companies in fiscal year 2020 constituted less than 15% of the net business turnover reported on the financial statements of KPMG Auditores, S.L. for the fiscal year ended 30 September 2020.

- Finally, the Audit and Compliance Committee of Endesa, S.A has analyzed the changes in total compensation of the Auditor.

The Auditor, KPMG Auditores, S.L., and its Network provided the following services to Endesa S.A. and its Group companies in fiscal year 2020:

<table>
<thead>
<tr>
<th>(Thousands of euros)</th>
<th>Fees 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Company</td>
</tr>
<tr>
<td>Statutory Audit Services</td>
<td>979</td>
</tr>
<tr>
<td>Other Audit-Related Services</td>
<td></td>
</tr>
<tr>
<td>- Reports on Agreed Procedures</td>
<td>106</td>
</tr>
<tr>
<td>- Report on Procedures Agreed for</td>
<td></td>
</tr>
<tr>
<td>information relating to the Internal</td>
<td>150</td>
</tr>
<tr>
<td>Financial Reporting Control System (SCIIF)</td>
<td></td>
</tr>
<tr>
<td>- Other Related Services</td>
<td>49</td>
</tr>
<tr>
<td>Reports on the Limited Review of the</td>
<td>244</td>
</tr>
<tr>
<td>Interim Financial Statements</td>
<td></td>
</tr>
<tr>
<td>Total Audit, Audit-Related and Limited</td>
<td>1,528</td>
</tr>
<tr>
<td>Review Services</td>
<td></td>
</tr>
<tr>
<td>Tax Services</td>
<td>-</td>
</tr>
<tr>
<td>Other Services</td>
<td>-</td>
</tr>
<tr>
<td>Total Fees</td>
<td>1,528</td>
</tr>
</tbody>
</table>
In fiscal year 2020, total fees received by the Company’s Statutory Auditor or its Network totaled €2,289,000, of which:

- €1,683,000 were for Statutory Audit services;
- €244,000 were for Limited Review of the Interim Financial Statements;
- €321,000 were for services other than statutory auditing and limited review reports, representing 16.66% of total annual fees paid for statutory audit services for the Company and its subsidiaries and, therefore, does not exceed the annual 70% limit established in the Company’s internal regulations;
- and €41,000 for services, other than statutory auditing of accounts and of the Semi-Annual Individual and Consolidated Financial Statements, which the Statutory Auditor is required to perform in accordance with EU or Spanish Law, and these services are therefore not included in the annual fee limit of 70%.

A detailed breakdown of these fees is provided below:

I. **Statutory Audit Services:**

   The fees for audit services in fiscal year 2020 totaled €1,683 thousand and include the Statutory Audit of the Individual and Consolidated Financial Statements of Endesa, S.A. for fiscal year ended 31 December 2020, as well as of its Subsidiaries.

II. **Limited Reviews:**


III. **Other Audit-Related Services:**

   The fees for Other Audit-Related Services in 2020 totaled €362 thousand and were broken down as follows:

   - Reports on agreed procedures for regulatory, contractual, by-law and other requirements.
   - Other related services.

   These engagements pertain primarily to services closely related to the audit and which, at times, supplement or partially serve to support the audit work and which, given their knowledge of the business and with a view to preventing duplication of work and costs, are entrusted to the Statutory Auditor to the extent such engagement does not result in a conflict of interest.
The Audit and Compliance Committee approved the additional services provided by the Audit Firms in fiscal year 2020, together with the quotations for such services, and reported to the Board of Directors, at its meetings held on 27 January 2020, 4 May 2020, 27 July 2020, 28 September 2020, 19 October 2020 and 21 December 2020.

IV. **Other Non-Audit Services:**

The Auditor did not provide any other services beyond those mentioned above in fiscal year 2020. The auditor did not provide tax or any other services beyond those mentioned above in fiscal year 2020.

4. **Tenure and Rotation of the Statutory Auditor**

I. **Tenure of the Statutory Auditor**

Law 22/2015, of 20 July, on Statutory Auditing, provides that listed companies shall appoint a Statutory Auditor or Audit Firm for an initial engagement of at least three years. This engagement may be renewed for periods of up to three years, subject to an overall maximum duration of ten years. This overall duration may be extended by up to an additional four years provided an additional auditor or audit firm is simultaneously engaged.


This three-year engagement does not exceed the ten-year limit laid out in the applicable regulations.

II. **Rotation of the Lead Auditor for the Statutory Audit**

As regards rotation of the lead auditors responsible for performing the Statutory Audit, the regulations in force provide that the lead auditor shall be replaced every five years, as from execution of the initial agreement, and in any case, that same person may not take part in the audit of the relevant company for a period of three years.

Fiscal year 2020 was the first year that the Partner from KPMG Auditores, S.L. was responsible, as the signatory partner, for auditing the individual and consolidated annual financial statements of Endesa, S.A.

**Conclusion.**

In accordance with the analysis completed herein, the Audit and Compliance Committee of Endesa, S.A. hereby states that the additional services rendered by KPMG Auditores, S.L. and the Network through which it operates to Endesa, S.A. and its Group companies do not compromise, to the best of its knowledge, the independence of the auditing company.
SCHEDULE I – LIST OF OTHER NON-AUDIT SERVICES:

(Thousands of euros)

<table>
<thead>
<tr>
<th>Company</th>
<th>Fees Related Companies</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Reports on the limited review of the interim financial statements (2020)</td>
<td>244</td>
<td>244</td>
</tr>
<tr>
<td>- Preparation of comfort letters in relation to the issuance of Euro Commercial Paper (2020)</td>
<td>30</td>
<td>30</td>
</tr>
<tr>
<td>- Agreed procedures relating to French Energy Regulatory Commission information requests (2020)</td>
<td>-</td>
<td>14</td>
</tr>
<tr>
<td>- Agreed procedures relating to reporting on the levels of greenhouse gas emissions from fuel and energy supplied in ENDESA transport activities with Energía (2020)</td>
<td>-</td>
<td>9</td>
</tr>
<tr>
<td>- Work relating to review of the information to be presented to the Kanto Local Bureau (Japan) (2020)</td>
<td>49</td>
<td>49</td>
</tr>
<tr>
<td>- Independent review of the Sustainability Report and the Non-Financial Information Statement (2020)</td>
<td>51</td>
<td>51</td>
</tr>
<tr>
<td>- Verification of the information in the “EBITDA Ratio – Collective Bargaining Personnel Wages for annual fiscal years ended 31 December 2020 and 2019” document</td>
<td>25</td>
<td>25</td>
</tr>
<tr>
<td>- Reports on agreed procedures on the Annual Statement of Inventory, Purchases and Sales of Oil Products with the Spanish Corporation of Strategic Oil Reserves (Corporación de Reservas Estratégicas de Productos Petrolíferos) for fiscal year 2020</td>
<td>-</td>
<td>12</td>
</tr>
<tr>
<td>- Reports on Agreed Procedures on financial ratios</td>
<td>-</td>
<td>7</td>
</tr>
<tr>
<td>- Reports on procedures agreed for information relating to the Internal Financial Reporting Control System (SCIIF) 2020.</td>
<td>150</td>
<td>150</td>
</tr>
<tr>
<td><strong>Total:</strong></td>
<td><strong>549</strong></td>
<td><strong>57</strong></td>
</tr>
</tbody>
</table>
C) REPORT ON OPERATIONS LINKED TO SIGNIFICANT SHAREHOLDERS AND DIRECTORS, BY THE AUDIT AND COMPLIANCE COMMITTEE TO THE BOARD OF DIRECTORS, IN FINANCIAL YEAR 2020
AUDIT AND COMPLIANCE COMMITTEE REPORT TO THE BOARD OF DIRECTORS ON RELATED-PARTY TRANSACTIONS CARRIED OUT WITH SIGNIFICANT SHAREHOLDERS AND DIRECTORS DURING FISCAL YEAR 2020
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II. Regulatory Framework
   A. Spanish Capital Corporations Law
   B. Endesa's Related-Party Transaction Regulations

III. Information on Related-Party Transactions Carried out with Directors, Reported to the Board of Directors by the Audit Committee in Fiscal Year 2020

IV. Information on Related-Party Transactions Carried out with Significant Shareholders, Reported to the Board of Directors by the Audit Committee in Fiscal Year 2020
   A. Transactions related to the Endesa Group's business
   B. Transactions related to business support services: provision of various intra-group services
   C. Intra-group financing transactions
   D. Other transactions

V. Conclusions
In accordance with Recommendation 6 of the Corporate Governance Code for Listed Companies, Endesa's Audit and Compliance Committee has drafted this Report on related-party transactions reported to Endesa’s Board of Directors in fiscal year 2020 to be published on the Company's website for the purposes of the 2021 Annual General Shareholders Meeting.

I. Background:

The Endesa Group'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; and
- electricity generation, distribution and marketing activities, including primarily: research, development, engineering, execution, implementation and operation and maintenance of facilities and acquisition and sale of raw materials in global markets.

For the purposes of the information contained herein, all Enel Group companies not included in Endesa's Consolidated Financial Statements were treated as significant shareholders of the Company.

Endesa's most relevant transactions with the Company's significant shareholder essentially included:

- transactions related to the Endesa Group's business: purchase of assets, commodities and services;
- transactions related to business support services (provision of various intra-group services); and
- intra-group financing transactions.

II. Regulatory Framework

A. Spanish Capital Corporations Law

Articles 228 and 229 of the Spanish Capital Corporations Law (*Ley de Sociedades de Capital* - LSC) govern conflicts of interest of Directors, requiring that affected Directors refrain from participating in and voting on those resolutions or decisions in relation to which the Director or a related person has a direct or indirect conflict of interest. Those resolutions or decisions that affect the Directors in their condition as officers, including as regards appointment to or removal from positions on the governing body or other analogous decisions, shall not be covered by the aforesaid requirement to refrain. Furthermore, Directors shall adopt necessary measures to prevent their interests, whether for themselves or on behalf of third parties, from coming into conflict with corporate interests and their duties to the company.

In particular, Article 529 ter of the Spanish Capital Corporations Law (LSC) states that the Board of Directors of a listed company shall approve, following a report from the Audit Committee, those transactions carried out by the company or its group companies with directors or shareholders that hold, individually or jointly with other shareholders, a significant interest, including shareholders represented on the Board of Directors of the company or of any other companies forming part of the same group, or with persons related thereto. The affected directors, or directors representing or who are related to affected shareholders, shall refrain from participating in and voting on the resolution in question. Only those transactions
that simultaneously meet the following three requirements shall be exempted from this provision:

1. the transaction is being carried out by virtue of an agreement whose terms and conditions are standardized and apply generally to a large number of clients;
2. the transaction is carried out at prices or rates established generally by the party acting as the supplier of the relevant goods or services; and
3. the amount of the transaction is no greater than one percent of the company's annual income.

Nevertheless, it should be noted that the legal framework for related-party transactions is undergoing a reform process through the required transposition of Directive (EU) 2017/828 of the European Parliament and of the Council of 17 May 2017 amending Directive 2007/36/EC as regards the encouragement of long-term shareholder engagement, and that one of the key aspects of this reform specifically involves expanding the commercial law definition of related-party transaction for listed companies. Specifically, Art. 529 vicies of the Draft Bill seeks to adopt the definition of “related-party transaction” laid out in the International Financial Reporting Standards (IAS 24, approved in 2015), which is broader than the definition currently codified in the Spanish Capital Corporations Law (LSC).

**B. Endesa's Related-Party Transaction Regulations**

The purpose of the Related-Party Transaction Regulations is to govern 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, all within the scope of the Spanish Capital Corporations Law (LSC).

The transactions covered by these Regulations shall include any transaction involving the transfer of resources, services or obligations and that is carried out by Endesa's Directors or significant shareholders, or third parties related thereto, with Endesa or any other Endesa Group companies, regardless of whether compensation was provided, all within the scope of the Spanish Capital Corporations Law (LSC).

**Applicable Procedure for Related-Party Transactions with Directors:**

- **Prior Request for Transaction Authorization:** Endesa Directors shall submit all transactions that they or their related persons intend to carry out with Endesa or any Endesa Group company to the Board of Directors for approval, through the Board and Company Secretary, prior to the execution thereof.

- **Board of Directors Transaction Authorization:** The Audit and Compliance Committee shall analyze and issue a report on the transaction and may, for such purpose, request additional information and external advising, as deemed appropriate, through the Board and Company Secretary.

The Audit and Compliance Committee's report shall be sent to the Board of Directors, who shall resolve upon all applicable matters in relation to the authorization of the transaction.

- **Duty to Refrain from Participating in Decision Making:** Any Directors, or related persons thereto, carrying out related-party transactions or who, for any other reason, have a conflict of interest, shall refrain from deliberating and voting on the resolution in question in order to ensure the independence of the Directors approving the related-party transaction in relation to the Directors affected thereby.
Applicable Procedure for Related-Party Transactions with Significant Shareholders:

- Prior Request for Transaction Authorization: Senior Executives of the Endesa Group shall submit all transactions that Endesa or any Endesa Group company intends to carry out with significant shareholders or related parties thereto to the Board of Directors, through the Board and Company Secretary, for approval. Furthermore, Senior Executives shall notify the Director General of Administration, Finance and Control of Endesa of the aforementioned request for approval.

- Board of Directors Transaction Authorization: The Audit and Compliance Committee shall analyze and issue a report on the transaction and may, for such purpose, request additional information and external advising, as deemed appropriate, through the Board and Company Secretary.

  The Audit and Compliance Committee's report shall be sent to the Board of Directors, who shall resolve upon all applicable matters in relation to the authorization of the transaction.

- Duty to Refrain from Participating in Decision Making: Directors that are also significant shareholders affected by the transaction, or a related person thereto, as well as all Directors designated by the aforementioned significant shareholder or that, for any other reason, have a conflict of interest, shall refrain from debating and voting on the relevant resolution.

The Spanish Capital Corporations Law (LSC) and Endesa's Related-Party Transaction Regulations, both of which are considered substantive regulations as regards the procedure for approving related-party transactions and the issuance of this Report, shall be complied with notwithstanding the transparency and disclosure obligations established in accounting regulations and the Ministry of Economy and Taxation Order EHA/3050/2004, of 15 September, on the reporting of related-party transactions by companies issuing securities listed on official secondary markets, as well as in regulations governing the Annual Corporate Governance Report and market abuse regulations, which could give rise to similar situations.

C. Other Policy Documents

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

- Action Protocol for Relations Between Endesa S.A. and Enel S.P.A.

In accordance with Recommendation 2 of the Spanish Corporate Governance Code for Listed Companies, Endesa has drafted and published an “Action Protocol for Relations between Endesa and Enel” to disclose the procedures and practices followed to safeguard Endesa's corporate interests and to resolve any conflicts of interest that may arise out of Endesa's relationships with other companies controlled, directly or indirectly, by Endesa or Enel, and with the companies controlled, directly or indirectly, by Enel, excluding the Endesa Group.
The Spanish Corporate Governance Code for Listed Companies notes that any listed company controlled by another entity, whether listed or unlisted, should publicly and clearly report information on the respective areas of activity of the different companies, establish a protocol for approval of their mutual business and, in general, develop a suitable framework of rules to address any potential conflicts.

- **Other Policy Documents**

Endesa has also developed other policy documents such as:

- **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.

- **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 Global 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.
III. Information on Related-Party Transactions Carried out with Directors, Reported to the Board of Directors by the Audit Committee in Fiscal Year 2020

No material transactions were carried out during fiscal year 2020 by the Endesa Group with the Directors of the Company.

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 contracting with Mutua Madrileña of the 2021 insurance 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.

To date, 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 Capital Corporations Law (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 control 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, paragraph (h), of the Spanish Capital Corporations Law (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.

In any case, it should be noted that: this transaction is of an ordinary nature; the services are provided on an arm’s length basis, as confirmed by the external reports issued in such regard; and that, 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.

IV. Information on Related-Party Transactions Carried out with Significant Shareholders, Reported to the Board of Directors by the Audit Committee in Fiscal Year 2020

The main material transactions of the Endesa Group authorized in fiscal year 2020 with Enel Group companies are detailed below.

Transactions carried out between Endesa Group companies and Enel Group companies are considered related-party transactions, as Enel S.p.A. indirectly holds 70.10% of the share capital of Endesa S.A. and, thus, is considered a significant shareholder.
A. Transactions related to the Endesa Group’s business:

Global Trading.

Endesa provides integrated management of the marketing and generation businesses, covering long and short positions in electricity and commodity sales required by the Energy Management Department meeting 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 Enel Global Trading and Enel Produzione (which are Enel Group companies; hereinafter “Enel Global Trading”). The use of Enel Global Trading as its sole counterparty for operations in international markets 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 Global Trading, which provides significant cost savings and a decreased need for 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 index. In the case of physical purchases of coal or gas offers are requested from third parties.

In any case, a model form has been approved by the Board of Directors, following a favorable report from the Audit and Compliance Committee, establishing the criteria, procedures and guarantees applicable to these transactions, and it is regularly updated.

The nominal value of the transactions reported on by the Audit and Compliance Committee, and authorized by the Board of Directors, between Enel Global Trading and Endesa during fiscal year 2020 totaled a maximum of €27,293.6 million, with transactions effectively carried out totaling €4,320.5 million (15.82%).

An external consultant has verified that the agreed prices and terms and conditions for all Enel Global Trading transactions authorized in fiscal year 2020 were made at arm’s length. This conclusion was reached using the comparable uncontrolled price method, comparing non-related party offers in the same type of transactions.

The Audit and Compliance Committee unanimously resolved to inform favorably on these transactions.
Other Trading

The Audit and Compliance Committee reported favorably to the Board of Directors on:

- Renewal of the optimization agreement of the sale and purchase of physical coal between Enel and Endesa for the period from 1 July 2020 to 30 June 2021. The transactions carried out within the scope of this authorization shall not exceed a maximum value of 700 kt, at an estimated nominal value of €33 million, at the current price.

- Proposal of the methodology for implementation of related-party trading transactions not covered by the "Model Form for Access to Commodities Markets and European Electricity and Gas Markets".


- The agreement by which Endesa Generación acts on behalf of the Enel Group in the markets forming part of the Iberian Electricity Market (MIBEL) for the period from January to December 2021.

B. Transactions related to technical and management support services: provision of various intra-group services

Corporate Services

Enel and Endesa 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. In this regard, the Audit and Compliance Committee has reported the following related-party transactions to the Board of Directors:

- Execution of a service agreement for a customer authentication system provided by Enel Italia, S.R.L. in order to register the customers of Endesa Energía through digital channels, and which governs Enel Italia's potential use of such data.

- Acquisition by Endesa Ingeniería of the interests held by “Enel Sole, S.R.L.” in fourteen Joint Ventures (Uniones Temporales de Empresas - “UTEs”) in which they jointly participated, at a maximum price of €5.3 million.

- Proposal for renewal for fiscal year 2021 of the Technical Service and Management Support Agreements provided by Enel, S.p.A. and certain of its subsidiaries to Endesa, S.A. and its subsidiaries, totaling €125.05 million, as follows:
  

Technical and ICT Services for the Endesa-X Business provided by Enel X S.r.l to Endesa X Soluciones S.A.: 12.02 million euros.


Procurement and ICT Services for the Marketing Business, provided by Enel Global Services to Endesa Energía S.A. and its subsidiaries: 18.52 million euros.


Authorization of Endesa and its subsidiaries to enter into Recharge Agreements for Personnel Secondment with Enel Group companies, by virtue of which invoicing may be carried out for all costs incurred for the secondment of employees from their home company to their host company.

Authorization of the extension of the insurance mandate with Enel through 30 November 2021, so that the latter may negotiate and contract, in its own name and on behalf of Endesa, certain global insurance policies for Endesa and all its subsidiaries in 2021 for own damages, civil and environmental liability, freight and transport of goods, expat health plans, cyber security, medical expenses for international travel, COVID insurance policy, all-risk construction and insurance of Directors and Officers. Synergies are obtained in the insurance market through the contracting by Enel S.p.A. of global policies covering Endesa as an insured beneficiary.

Extension for fiscal year 2021 of the service agreement (Operation & Maintenance, Engineering & Construction, Business Development (Commercial Office) and Staff departments) for services provided by the personnel of Enel Green Power España, S.L. to Enel Green Power, S.p.A., totaling €9.7 million.

Renewal for a maximum period of three years of the Service Agreement between Enel Investment Holding B.V. and Endesa Energía, S.A.U. for lease of office space and support in specific areas, in Amsterdam (The Netherlands), with a total estimated maximum of €0.065 million per year.

Independent third parties have verified that the price and terms and conditions of the agreements, for each of the transactions referred to in this section, have been entered into at arm’s length.

Additionally, it should be noted that the Audit Department and Deloitte, in its capacity as independent expert, have analyzed the supporting documentation for the technical and management support services provided by the Enel Group during 2019 and, likewise, Deloitte has assessed the calculation of the price for these agreements based on transfer pricing tax regulations, all before authorizing payment of the invoices related to the aforementioned services.
C. Intra-group financing transactions

Financial transactions with Enel are always carried out taking into account Endesa's corporate interests, in accordance with a competitive market analysis, and to this end, both the Related-Party Transaction Regulations and the additional control procedures approved by the Audit and Compliance Committee on 22 October 2018 are applied when conducting these transactions.

All activities aimed at financing and making liquidity available to the different business units and entities of the Endesa Group are considered intra-group financial transactions and services.

On 4 May 2020, a credit facility totaling €700 million was executed with Enel Finance International, N.V. (EFI) in order to implement the investment plan.

An independent third party has verified that the agreed prices and terms and conditions were made at arm’s length.

D. Other Transactions

Technical and Engineering Services

- Execution of an agreement between Endesa Generación, S.A. and Enel Produzione, S.p.A. for the supply of 200 denitrification catalyst modules (DeNOx) and 2 desulfurization absorber pumps (DeSOx), totaling €0.31 million.

- Ratification of the agreements between Enel Italia S.p.A. and E-Distribuzione with Endesa S.A. and Edistribución Redes Digitales, S.L. for the supply of protective masks, totaling €0.29 million and €0.03 million, respectively.

- Contracting of Enel Green Power, S.p.A. to provide engineering services for the development of the San Agustín hydroelectric plant repowering project, totaling an estimated €1.17 million.

- Extension of the service agreement for dielectric fluid analysis services in power transformers by Endesa Ingeniería to E-Distribuzione, totaling a maximum of €0.3 million euros for the period from 1 June 2020 to 31 May 2021.

- Contracting of Enel Green Power, S.p.A. to carry out engineering services for the development of the San Serván solar cluster (El Doblón, Puerta Palmas and Veracruz projects), totaling an estimated €1.36 million.

Independent third parties have verified that the price and terms and conditions of the agreements, for each of the transactions referred to in this section, have been entered into at arm's length.
V. Conclusions:

All transactions referred to in this Report have been approved by the Company’s Board of Directors following a favorable report from the Audit and Compliance Committee.

Those Directors of Endesa that have a conflict of interest or are appointed at the request of Enel, or otherwise related thereto, did not participate in or vote on any of the resolutions in question, nor in the Audit and Compliance Committee or on the Board of Directors.

The Directors of Endesa considered the compatibility of every transaction with the corporate interests, both as regards its convenience and its terms and conditions, without prejudice to taking into account the particularities arising from Endesa's inclusion in the Enel Group, giving rise to benefits resulting from synergies, coordination of best practices and economies of scale in certain areas.

All of the requests for Related-Party Transactions were accompanied by, at least, one independent third-party report addressing whether the transaction prices were established at arm's length and, as the case may be, addressing the legal validity of its primary contractual conditions.

By request of the Audit and Compliance Committee, Endesa's Audit Department has verified that all related-party transactions have been reviewed and, as the case may be, approved by the Board of Directors, and that such transactions were executed in accordance with the approved terms and conditions.
D) AUDIT AND COMPLIANCE COMMITTEE REPORT ON THE STATUTORY AUDIT FOR FINANCIAL YEAR 2020
AUDIT AND COMPLIANCE COMMITTEE REPORT
ON THE OUTCOME OF THE STATUTORY AUDIT FOR
FISCAL YEAR 2020
AUDIT AND COMPLIANCE COMMITTEE REPORT ON THE OUTCOME OF THE STATUTORY AUDIT FOR FISCAL YEAR 2020

Article 529 (14) of the Capital Corporations Law (Ley de Sociedades de Capital - LSC) establishes among the powers of the Audit and Compliance Committee the duty to report the audit results to the General Shareholders' Meeting, explaining how the audit contributed to the integrity of the financial information and the involvement of the Audit and Compliance Committee in the process. This power is laid out by Endesa in its Audit and Compliance Committee Regulations.

In this regard, Endesa's Audit and Compliance Committee hereby issues this Report with a view to compliance with its duty to report to the General Shareholders' Meeting on audit results and on contributions of the audit to the integrity of the financial information, for publication hereof on the Company's website for the purposes of the General Shareholders' Meeting called to be held on 30 April 2021, under the following terms:

STATUTORY AUDIT RESULTS FOR FISCAL YEAR 2020

- In the opinion of the Statutory Auditor, KPMG Auditores, S.L., the individual and consolidated Annual Financial Statements of Endesa, S.A. reflect in all material respects the true and fair view of the equity and financial position of Endesa, S.A. as at 31 December 2020, as well as of its profits and cash flows pertaining to the fiscal year ending on such date, in accordance with the International Financial Reporting Standards, as adopted by the European Union (IFRS-EU), and with any other provisions of the standard financial reporting framework applicable in Spain.

In this regard, the General Manager of Administration, Finance and Control attended the meeting of the Audit and Compliance Committee held on 22 February 2021, at which said General Manager: (i) presented the individual and consolidated Annual Financial Statements and proposed application of earnings for fiscal year 2020 to the Audit and Compliance Committee for reporting thereby; (ii) explained the highlights for the year, the key financial indicators, Endesa's market environment and performance, and financial profits; and (iii) provided an analysis of the net financial debt and business of Endesa. He also explained in detail the key items of the Annual Financial Statements, the management report and the proposed application of earnings.

In this same regard, a Partner from the Statutory Auditor, KPMG Auditores, S.L., presented its audit report on the Individual and Consolidated Annual Financial Statements of Endesa for fiscal year ending 31 December 2020 and commented on key aspects of the audit. The representatives of KPMG Auditores, S.L. who audited the annual consolidated financial statements of Endesa, S.A. (parent Company) and its subsidiaries (the Group) –which include the consolidated balance sheet as at 31 December 2020, consolidated income statement, consolidated statement of other comprehensive income, consolidated statement of changes in net equity, consolidated cash-flow statement and the notes to the financial statements for fiscal year ending 31 December 2020– noted that, in their opinion, the consolidated annual financial statements present, in all material respects, a true and fair view of the equity and financial position of the Group as at 31 December 2020, as well as of its consolidated profits and cash flows for fiscal year ended 31 December 2020, in accordance with the International Financial Reporting Standards, as adopted by the European Union (IFRS-EU), and with any other provisions of the standard financial reporting framework applicable in Spain. They also declared that they audited the annual financial statements of Endesa, S.A. (the Company) –
which include the balance sheet as at 31 December 2020, income statement, statement of changes in net equity, cash-flow statement and the notes to the financial statements for fiscal year ending 31 December 2020– and noted that, in their opinion, the annual financial statements present, in all material respects, a true and fair view of the equity and financial position of the Company as at 31 December 2020, as well as of its consolidated profits and cash flows for fiscal year ended 31 December 2020, in accordance with the applicable standard financial reporting framework and, in particular, with the accounting principles and criteria contained therein.

Additionally, the auditor's representatives addressed the impact of COVID-19 and how this was reflected on the Company's annual financial statements and reviewed other relevant matters relating to participation of the Group auditor in the auditor's work as relates to significant items, scope of consolidation, alternative performance metrics, audit methodology and the valuation methods of Endesa.

In accordance with Article 11 of Regulation (EU) 537/2014, KPMG issued an Additional Report to the Audit and Compliance Committee detailing the results of the audit carried out and addressing, inter alia, the following:

- **Audit Planning:**
  - 2020/2021 schedule, specifying the documentation presented and the communications with the Board of Directors and Audit and Compliance Committee
  - Work Team
  - Materiality and Scope of the Group audit

- **Audit Conclusions:**
  - Audit Focus Areas: key audit issues and other significant audit matters
  - Scope of consolidation
  - Audit methodology and valuation methods

- **Two-way communication with Management, the Audit and Compliance Committee and the Board of Directors; general mandatory reporting; and issuance on 22 February 2021 of the confirmation of independence.**

- **European Single Electronic Format (ESEF) Regulation Conclusions:** The digital files reviewed (xHTML) match the audited annual financial statements and were prepared, in all material respects, in accordance with the requirements of the ESEF Regulation.

Thus, the auditors presented their draft individual and consolidated audit reports to the Audit and Compliance Committee on 22 February 2021. These reports note that no qualifications or reservations were made, such that the individual and consolidated annual financial statements present, in all material respects, a true and fair view of the Company. Subsequently, on 23 February 2021, following issuance of the financial statements by Endesa, S.A.’s Board of Directors, the drafts were signed by the auditor. Furthermore, as explained below, KPMG Auditores, S.L. verified and reported favorably on Endesa’s System of Internal Control over Financial Reporting (ICFR).

- Additionally, in accordance with Article 49 of the Commercial Code, KPMG Asesores, S.L. verified, with limited assurance, that the 2020 Non-Financial Information and Sustainability Statement of Endesa, S.A. and its subsidiaries for the fiscal year ended 31 December 2020, prepared in accordance with the essential option of the Sustainability Reporting Standards
and with the Global Reporting Electric Utilities Sector Supplement, included in the Consolidated Management Report, and in accordance with the provisions of current commercial regulations in force, concluding that no aspects were revealed that would cause the auditor to believe that: (a) the 2020 Non-Financial Information and Sustainability Statement of Endesa, S.A. and its subsidiaries for the fiscal year ended 31 December 2020 was not prepared, in all material respects, in accordance with the essential option of the GRI standards and with the Electric Utilities Sector Supplement, as detailed in point 102-54 of the GRI Content Index of the Report; (b) the 2020 Non-Financial Information and Sustainability Statement of Endesa S.A. and its subsidiaries for fiscal year ended 31 December 2020 was not prepared, in all material respects, in accordance with the provisions of current commercial regulations in force and following the selected GRI standards, in accordance with the contents of the Report for each topic laid out in the "GRI Content Index required by Law 11/2018, of 28 December, on non-financial information and diversity."

In application of the opinion issued by the Spanish Institute of Accounting and Auditing (ICAC) on 21 March 2018 and following the general practice in Ibex 35 companies, a single 2020 Non-Financial Information and Sustainability Statement is presented for the Consolidated Group, as the parent company is exempt from the requirement to present a Non-Financial Information Statement.

- In relation to the supervision of financial and non-financial information control systems:
  - KPMG Auditores, S.L. carried out certain procedures relating to Endesa, S.A.’s System of Internal Control over Financial Reporting, included in the 2020 Annual Corporate Governance Report, and has concluded based on the procedures for information relating to Endesa’s System of Internal Control over Financial Reporting that no inconsistencies or incidents were revealed that might affect such system.
  - The Administration, Finance and Control Department issued a Report based on the internal certification process followed by the process owners of the procedures and controls under the System of Internal Control over Financial Reporting (ICFR), concluding that the System of Internal Control over Financial Reporting for fiscal year 2020 is sufficiently trustworthy and reliable, taking into account the Report issued by the internal control department.
  - The Internal Audit Department issued a Report based on its analysis of the System of Internal Control over Financial Reporting (ICFR), completed as part of its audit of processes, verification of the functioning of IT control systems, analysis of IT General Controls and monitoring of the work performed by Deloitte, S.L. (both in defining the scope as well as in the analysis of the test results and assessment of the incidents detected), concluding that Endesa’s System of Internal Control over Financial Reporting (ICFR), at the close of fiscal year 2020, is sufficiently trustworthy and reliable. Endesa’s report on non-financial information for fiscal year 2020, based on the review of indicators completed as part of the process audits and testing of controls over relevant indicators, concludes that the necessary measures were adopted to ensure the clarity and integrity of the most significant quantitative and qualitative indicators reported in the 2020 report, and that the controls established for the relevant indicators are operating adequately, such that the report concludes that for the first stage of internal control over non financial reporting, the necessary measures have been adopted to ensure the reliability and integrity of the most relevant indicators.
The independent expert Deloitte, S.L. issued a report addressing the testing carried out within the existing framework agreement for the entire Group as well as the specific review requested by the Audit and Compliance Committee on the trustworthiness and reliability of Endesa’s System of Internal Control over Financial Reporting (ICFR), in terms of both financial and non-financial information, for fiscal year 2020. Based on this completed work, Deloitte concluded that the assessment of the performance of Endesa Group’s System of Internal Control over Financial Reporting (ICFR), in terms of both financial and non-financial information, at 31 December 2020 was satisfactory, having not discovered any deficiencies which would affect overall performance of this system.

The tasks performed by the Audit and Compliance Committee in fiscal year 2020 in relation to this process included, inter alia:

- Monitored preparation of all required financial information. In this regard, the Chief Executive Officer and the General Manager of Administration, Finance and Control certified the Company's individual and consolidated Annual Financial Statements as at 31 December 2020 prior to the drawing up thereof by the Board of Directors. Furthermore, the General Manager of Administration, Finance and Control presented said Financial Information together with the individual and consolidated Interim Semi-Annual Summary Financial Statements and the consolidated quarterly financial information and, finally, the Statutory Auditor, KPMG Auditores, S.L., reported on the individual and consolidated semi-annual and annual profits for the fiscal year.

- Monitored the effectiveness of the System of Internal Control over Financial Reporting (ICFR), in terms of both financial and non-financial information, based on the above-mentioned reports.

- In performing its statutory audit duties and 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:

  - The Audit and Compliance Committee, at a meeting held on 22 February 2021, approved, prior to the issuance of the auditors' report, and in accordance with Article 529 quaterdecies 4.f) of the amended and restated text of the Capital Corporations’ Law(LSC), with Spanish Securities Market Commission (CNMV) Technical Guidelines 3/2017, with Article 16.3 of Endesa, S.A.'s Audit and Compliance Committee Regulations, and with Endesa's Policy for the Provision of Non-Audit Services and Relations with the Statutory Auditor, issued, prior to issuance of the Statutory Auditor's Report, a Report expressing an opinion on whether the independence of the Statutory Auditor for the Company and its Consolidated Group was compromised in fiscal year 2020.

This report concluded that the additional services rendered by KPMG Auditores, S.L. and the Network through which it operates to Endesa, S.A. and its group companies do not compromise, to the best of its knowledge, the independence of the auditing company. 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 Auditores, S.L. and the Network through which it operates, as well as, in the interest of transparency, by Ernst & Young, S.L. –who was the Company's Statutory Auditor until fiscal year 2019, until the end of the transition period with the new auditor, KPMG (June 2020)–, at its meetings on 27 January 2020 (E&Y), 4 May 2020 (E&Y and KPMG), 27 July 2020 (KPMG), 28 September 2020 (KPMG), 19 October 2020 (KPMG) and 21 December 2020 (KPMG).

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 Non-Audit Services and Relations with the Statutory Auditor, approval by the Administration, Finance and Control Department, the Audit Department and the Secretary General was 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. This statement from KPMG Auditores, S.L. certifies that as of 31 December 2019:
  - It complies with the principle of independence as required by applicable law.
  - No non-audit services were provided in 2019 with the characteristics described in Article 5.1.e) of Regulation (EU) 537/2014, of the European Parliament and of the Council of 16 April 2014, in force from 17 June 2016.
  - As of 31 December 2019, all non-audit services had been completed and no collaboration of this nature was ongoing.

Additionally, and in accordance with the Action Protocol for Relations Between Endesa, S.A. and Enel S.p.A., for the purpose of ensuring that Endesa’s Audit and Compliance Committee is aware of any non-audit services provided by its statutory auditor or by members of its network to the parent company Enel such that it can confirm the independence of its statutory auditor, Endesa’s Audit and Compliance Committee, as relates to the services provided by Endesa's Statutory Auditor or by any company from within its Network to Enel, requested the following from the auditor, 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.

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• 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.

In its independence statement, the Statutory Auditor, KPMG Auditores, S.L., confirms this information and specifies the percentage of non-audit services as compared to audit services provided to Enel S.p.A.

Endesa's Audit and Compliance Committee, respecting the autonomy of Enel's Collegio Sindacale to analyze and authorize non-audit services provided by the Statutory Auditor to Enel, and taking into account the information provided by the auditor, notes that, in its opinion, the aforementioned services do not affect the auditor's independence in analyzing Endesa's financial statements.

- Received information on the proposed fees of the Statutory Auditor (KPMG Auditores, S.L.) for auditing the Individual Annual Financial Statements, for the 2020-2022 period, of certain subsidiaries of Endesa, S.A. that were incorporated in 2019 and 2020 after KPMG Auditores, S.L. was hired as the Statutory Auditor of Endesa, S.A.; and reported to the Board of Directors on the increase in fees of KPMG Auditores, S.L. for auditing the individual and consolidated Annual Financial Statements of Endesa, S.A., in the amount of €62,090, for fiscal year 2020, due to the application of new terms that modified the basis on which the 2020 fees were determined.

- Received information from the new Statutory Auditor on its work plan for fiscal year 2020, as well as on the audit team and audit experience, skills and audit requirements. The Audit Transition Plan between Ernst & Young, S.L and KPMG Auditores, S.L. was also explained, as well as the status of the review in June and November 2020.

- Finally, 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 (Ernst & Young, S.L.) performance during fiscal year 2019, 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.
II. APPOINTMENTS AND REMUNERATIONS COMMITTEE
A) APPOINTMENTS AND REMUNERATIONS COMMITTEE ACTIVITY REPORT CORRESPONDING TO THE FINANCIAL YEAR 2020
APPOINTMENTS AND COMPENSATION
COMMITTEE REPORT FOR FISCAL YEAR 2020
CONTENTS

1. REGULATORY FRAMEWORK
2. COMPOSITION
3. COMMITTEE DUTIES
4. COMMITTEE PROCEEDINGS AND MEETINGS
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9. DATE OF PREPARATION BY THE APPOINTMENTS AND COMPENSATION
    COMMITTEE OF THE REPORT AND DATE OF APPROVAL BY THE BOARD OF
    DIRECTORS
1. REGULATORY FRAMEWORK AND DUTIES OF THE COMMITTEE

Endesa’s Appointments and Compensation Committee was voluntarily established by the Board of Directors in 1998.

Law 31/2014, amending the Capital Corporations Law (Ley de Sociedades de Capital - LSC) for the improvement of corporate governance, introduces a mandatory requirement, for the first time, that either one or two committees be established on appointments and compensation. Endesa decided not to divide the existing Appointments and Compensation Committee into two separate committees ("appointments committee" and "compensation committee"). The existence of a single Committee ensures the coordination (an obligation that would be required between the two Committees if divided) of matters related to assessment and compensation, attracting and retaining talent and a focus on achieving results.

The Appointments and Compensation Committee is regulated by Articles 529 terdecies and 529 quindecies of the Capital Corporations Law ("LSC") and, in accordance therewith, the proceedings and duties of this Committee have been regulated by the Company in its Corporate Bylaws (Article 52) and Board Regulations (Article 24).

Additionally, in accordance with Technical Guidelines 1/2019 on Appointments and Compensation Committees published by the Spanish Securities Market Commission (CNMV), Endesa’s Board of Directors, at its meeting on 28 September 2020 and at the proposal of the Appointments and Compensation Committee, established the Appointments and Compensation Committee Regulations.

2. COMPOSITION

The Company’s Board of Directors, at its meeting in July 2020, approved the new composition of the Appointments and Compensation Committee effective as from 1 September 2020.

The circumstances that led to this change in composition of the Committee were the result of: Mr. Roca’s term of office as Chairman of the Appointments and Compensation Committee ending on 19 September 2020; changes to the Audit and Compliance Committee due to the term of office of its members ending; the vacancy left by Ms. Revoredo since January 2020 on the Audit and Compliance Committee and on the Appointments and Compensation Committee; the addition of Ms. González, Ms. Bieto and Ms. Koplowitz on the Board; as well as establishment of the Sustainability and Governance Committee. It was therefore concluded that this presented a reasonable opportunity to collectively and simultaneously analyze and determine the composition of the Audit and Compliance, Appointments and Compensation and Sustainability and Governance Committees.

The composition of the Appointments and Compensation Committee as of 31 December 2020 is:

<table>
<thead>
<tr>
<th>Position</th>
<th>Members</th>
<th>Date First Appointment</th>
<th>Date Last Appointment</th>
<th>Category</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chairman</td>
<td>Ignacio Garralda Ruiz de Velasco</td>
<td>07/05/2015</td>
<td>01/09/2020</td>
<td>External / Independent</td>
</tr>
<tr>
<td>Director</td>
<td>Eugenia Bieto Caubet</td>
<td>01/09/2020</td>
<td>01/09/2020</td>
<td>External / Independent</td>
</tr>
<tr>
<td>Director</td>
<td>Antonio Cammisecra</td>
<td>01/09/2020</td>
<td>01/09/2020</td>
<td>External / Shareholder-Appointed(1)</td>
</tr>
<tr>
<td>Director</td>
<td>Alejandro Echevarría Busquet</td>
<td>24/07/2012</td>
<td>01/09/2020</td>
<td>External / Independent</td>
</tr>
<tr>
<td>Director</td>
<td>Pilar González de Frutos</td>
<td>01/09/2020</td>
<td>01/09/2020</td>
<td>External / Independent</td>
</tr>
<tr>
<td>Secretary</td>
<td>Borja Acha Besga</td>
<td>01/08/2015</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(1) Represents Enel

*Date of appointment as Chairman of the Appointments and Compensation Committee
The Appointments and Compensation Committee is comprised of five non-executive members of the Board of Directors, four of which (80%) are independent. Furthermore, the Committee has a Shareholder-Appointed Director representing the controlling shareholder Enel, who holds 70.10% of the share capital of Endesa.

The Director Selection Policy ensures that all proposals for appointment to the office of director are based on a prior analysis of various factors including but not limited to the needs of the Appointments and Compensation Committee, also ensuring that such proposals are made in furtherance of the diversity of knowledge, experience and gender, thereby explicitly declaring Endesa’s commitment to the diverse composition of its governing bodies.

Application of the Candidate Director Selection and Diversity Policy of Endesa ensured that the composition of this Committee was based on a previous analysis of its needs, and that said proposals foster diversity in terms of knowledge, experience and gender, thereby explicitly declaring Endesa’s commitment to the diverse composition of its governing bodies.

In particular, the composition of this Committee is intended to incorporate professional experiences and skills, as well as different management skills, including inter alia those specific to the business carried out by the Company and appointment-related experience, on the Board, as well as to promote, to the extent possible, gender diversity.

 ✓ Gender: women represented 40% of the Committee in 2020, compared to 16.66% in 2019.
 ✓ Age: the average age on the Committee is 66.2, with ages ranging from 50 to 78.
 ✓ Seniority: average seniority of the Committee members for 2019 is 4.02 years.
 ✓ The directors on the Committee come from diverse professional backgrounds, with a focus on finance and risk, in specific areas including economic/financial, accounting and auditing, internal control and business risk management, and legal. The Directors as a whole bring together sufficient technical knowledge and experience to be able to properly perform their duties.
 ✓ 20% of the Committee members are not Spanish nationals.

Endesa understands that diversity in all its forms, at every level of its professional team, is a key component to ensuring the Company’s competitiveness and also plays a key role in its corporate governance strategy that ensures a critical attitude, as well as the expression of different points of view and positions and the analysis of its strong and weak points.

A detailed profile for each Appointments and Compensation Committee member is provided on the Company’s website.
3. COMMITTEE DUTIES

The main role of the Appointments and Compensation 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 Compensation Committee not reserved to another body by virtue of law, the Bylaws or the Board of Directors Regulations.

4. COMMITTEE PROCEEDINGS AND MEETINGS

The Appointments and Compensation Committee establishes an annual work plan laying out specific objectives for each of its duties as well as an annual meeting schedule, taking into account the time required for performance of each of the various duties and the meeting schedule of the Board of Directors.

The Appointments and Compensation Committee shall meet in accordance with the annual meeting schedule, and 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 or of the Coordinating Director, as the case may be, subject to a minimum of four meetings per year.

The Secretary shall, following the instructions of the Committee Chairman, channel and provide all required information and documentation to the remaining members of the Committee sufficiently in advance to ensure that all members have enough time to analyze the information and documentation prior to each meeting.

The Appointments and Compensation Committee met 10 times during fiscal year 2020. The average attendance at the meetings held was 89%.

The Chairman of the Appointments and Compensation Committee, through the Secretary, may request that the Chairman of the Board of Directors, the Managing Director or any other member of the Board of Directors attend any meeting of the Committee, as deemed appropriate.

The Chairman of the Appointments and Compensation Committee may also, through the Secretary, invite or require any executive or employee of the Endesa Group, as well as any member of a subsidiary company’s management body that was appointed at the Company’s
proposal, to attend or appear at a meeting of the Committee. These attendees shall provide assistance and access to information held thereby, provided no legal restrictions apply thereto.

Individual attendance by the Appointments and Compensation Committee members in fiscal year 2020 is detailed below; however, information on the individual attendance of these Committee members at the meetings of the Board of Directors and, as the case may be, of any other Committees on which they may be members is provided in Schedule I.

<table>
<thead>
<tr>
<th>Directors</th>
<th>In-Person Attendance</th>
<th>Proxies (1)</th>
<th>Total Attendance (1)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ignacio Garralda Ruíz de Velasco</td>
<td>10/10</td>
<td>-</td>
<td>10/10</td>
</tr>
<tr>
<td>Eugenia Bieto</td>
<td>4/4</td>
<td>-</td>
<td>4/4</td>
</tr>
<tr>
<td>Antonio Cammisecra</td>
<td>3/4 0/1</td>
<td>3/4</td>
<td></td>
</tr>
<tr>
<td>Alejandro Echevarría Busquet</td>
<td>8/10 1/2</td>
<td>9/10</td>
<td></td>
</tr>
<tr>
<td>Pilar González de Frutos</td>
<td>4/4</td>
<td>-</td>
<td>4/4</td>
</tr>
<tr>
<td>Francisco de Lacerda</td>
<td>6/6</td>
<td>-</td>
<td>6/6</td>
</tr>
<tr>
<td>Alberto de Paoli</td>
<td>3/6 0/3</td>
<td>3/6</td>
<td></td>
</tr>
<tr>
<td>Miquel Roca Junyent</td>
<td>6/6</td>
<td>-</td>
<td>6/6</td>
</tr>
</tbody>
</table>

(1) In calculating Total Attendance for Board and Committee meetings, the criteria set forth in Circular 7/2015 of the Spanish Securities Market Commission were applied, which provides forms for the annual corporate governance reports for listed companies and states that attendance by proxy granted with specific instructions shall be deemed attendance.

External Participation in Appointments and Compensation Committee Meetings (2020):

The Chairman of the Appointments and Compensation Committee requested the participation of the following at its Committee meetings: Managing Director (attended 3 meetings); and General Manager of People and Organization (attended 5 meetings).

Attendance by an Executive or Director does not mean that they attended for the duration of the Committee meeting and only means that they attended for those agenda items for which they were invited.
5. WORK UNDERTAKEN DURING FISCAL YEAR 2020

The Appointments and Compensation Committee, through its Chairman, has reported to the Board of Directors on the development of each and every one of the meetings held.

The key issues dealt with by the Committee in 2020 are as follows:

5.1. PROPOSALS FOR APPOINTMENT, REAPPOINTMENT AND REMOVAL

Senior Management

The Appointments and Compensation Committee reported favorably in fiscal year 2020 on the appointment and removal of the following Senior Managers of Endesa:

- Removal of José Luis Puche Castillejo, Media General Manager, who signed on to Endesa’s Voluntary Removal Agreement.
- Appointment of Pablo Azcoitia Lorente as Media General Manager and removal as the Procurement General Manager.
- Appointment of Ignacio Mateo Montoya as Procurement General Manager.
- Removal of Andrea Lo Faso, General Manager of People and Organization, who was appointed to new duties in the Enel Group.
- Appointment of Paolo Bondi as General Manager of People and Organization.

Board of Directors

The Appointments and Compensation Committee reported to the Board of Directors in fiscal year 2020 on the following proposals for the appointment and reappointment of Directors, all of which were approved by the 2020 Annual General Shareholders’ Meeting:

- Ratification and reappointment of Antonio Cammisecra as a shareholder-appointed director.
- Appointment of Eugenia Bieto Caubet as an independent director.
- Appointment of Pilar González de Frutos as an independent director.
- Appointment of Alicia Koplowitz y Romero de Juseu as an independent director.

In January 2020, the Appointments and Compensation Committee acknowledged resignation of the Independent Director Helena Revoredo Delvecchio, who sent a letter explaining the reasons for her resignation. Her resignation was solely and exclusively due to personal reasons that prevented her from continuing to serve and provide sufficient dedication to her position, concluding that her resignation was in the best interests of Endesa. The Board of Directors reported this removal to the CNMV and will also report this removal in the Annual Corporate Governance Report.

Likewise, as relates to composition of the Board Committees, the Appointments and Compensation Committee approved the proposals for reappointment and appointment of the members of the Audit and Compliance Committee and of the new Sustainability and Governance Committee, as well as the proposal for application of the applicable criteria for appointing members to the Appointments and Compensation Committee itself.
5.2. DIRECTOR INDUCTION PROGRAM AND UPDATE PLAN

In accordance with CNMV Technical Guidelines 1/2019 on Appointments and Compensation Committees, the Appointments and Compensation Committee has been assigned the duty to design and organize induction programs for new Directors so as to ensure that all of them have a sufficient minimum baseline of knowledge about the Company and to promote the active participation of its members from the start.

In May 2020, the Appointments and Compensation Committee reported to the Board of Directors on the update and implementation of the 2020 Director Induction Program, based on the appointment of Eugenia Bieto Caubet, Pilar González de Frutos and Alicia Koplowitz y Romero de Juseu as directors of the Company.

Additionally, specific training was provided to the Audit and Compliance Committee members in October 2020, in accordance with CNMV Technical Guidelines 3/2017 on Audit Committees, to ensure that the new members have a consistent minimum baseline of knowledge about the company and to promote their active participation from the start.

5.3. COMPENSATION-RELATED PROPOSALS, REPORTS AND POLICIES

The main actions taken by the Committee in relation to compensation in the period covered by this report were:

Compensation of Senior Management

- As relates to Senior Management, the Committee reported favorably on the proposals for compensation items for certain members of the Executive Management Committee for 2020.

Compensation of Executive Directors

- Short-Term Variable Compensation

  The Appointments and Compensation Committee reported favorably to the Board of Directors on the proposal for short-term variable compensation of the Managing Director based on an assessment of his 2019 targets and establishment of his new targets for 2020.

- Long-Term Variable Compensation

  In terms of long-term compensation, the Committee reported favorably on the description of metrics and performance levels against the targets laid out in Endesa’s 2020-2022 Strategic Incentive Program (LTI), prior to the proposal from the Board of Directors, approved by the Annual General Shareholders’ Meeting of 5 May 2020. The Committee also reported favorably on the beneficiaries and Regulations of said Program.

  Furthermore, the Committee has reported on the results of the 2017-2019 Loyalty Program to the Board of Directors.
Endesa’s Annual Report on Directors’ Compensation (2019)

The Appointments and Compensation Committee reported favorably to the Board of Directors on Endesa’s Annual Report on Directors’ Compensation (2019), for submission thereof to a binding vote of the General Shareholders’ Meeting, who approved said Report with 94.1% of the share capital voting in favor.

Directors’ Compensation Policy

As relates to the Compensation Policy, the Appointments and Compensation Committee resolved to propose to the Company’s Board of Directors the Endesa, S.A. Directors’ Compensation Policy for the 2020-2022 period, consistent with the 2019-2021 Directors’ Compensation Policy. Additionally, the Committee approved the justifying report for said policy which is aimed at explaining the criteria adopted by the Committee for proposing Endesa’s Directors’ Compensation Policy to the Board.

It is also worth noting that Deloitte provided a positive analysis of this policy, in its report “Endesa’s 2020-2022 Directors’ Compensation Policy”, which concludes that, in general, Endesa’s practice is in line with market practices and expert recommendations.

In December 2020, the Appointments and Compensation Committee reviewed the Directors’ Compensation Policy for 2020-2022. Based on its analysis, it concluded that a proposal for amendment of the Directors’ Compensation Policy should be presented to the Board of Directors in 2021, for subsequent proposal to the Annual General Shareholders’ Meeting, addressing, inter alia, those aspects that would eventually apply as a result of amendments to the Capital Corporations Law as relate to promoting long-term shareholder involvement, explicitly establishing the criteria required under the new text of Recommendation 64 of the Corporate Governance Code for Listed Companies, and increasing the fixed monthly allowance of the Chairmen of the three Board Committees, thus rewarding their increased dedication and responsibility as compared to the rest of the members.

Compensation Verification

In February 2020, the Appointments and Compensation Committee, in collaboration with the Internal Audit Department, verified the malus and claw-back clauses applicable to Executive Directors and concluded that application of said clauses was not justified in relation to long- or short-term variable compensation.

Furthermore, in December 2020, the Committee approved a procedure for verification of the malus and claw-back clauses.

The Audit and Compliance Committee has verified, in collaboration with the Internal Audit Department and with the participation of the People and Organization Department, that the information in the Annual Report on Directors’ Compensation (2019) is consistent with the policies and criteria approved by the Board of Directors and that it accurately reflects reality.

As relates to the 2019 Short-Term Targets for Executive Directors, the Committee has verified the proposal for attainment of said targets, also in collaboration with the Internal Audit Department, having reviewed said proposal and concluded that the Company’s financial and management information for fiscal year 2019, as duly approved, support said proposal and that the degree of achievement was correctly determined.

As regards the proposed 2017-2019 Loyalty Program results, the accrual period for which has ended and payment thereof is still pending, the Committee verified the proposal for compliance therewith, also in collaboration with the Internal Audit Department, having examined said proposal and concluded that the result thereof is supported by the Company’s accounting and management information, as well as by the consultations carried out with Bloomberg, and that the degree of achievement was correctly determined.
5.4. ENDESA’S CANDIDATE DIRECTOR SELECTION POLICY AND PROMOTION OF DIVERSITY

Verification of Compliance with Endesa’s Candidate Director Selection Policy

In fiscal year 2020, the Board of Directors submitted to the General Shareholders’ Meeting the proposals for appointment of three new independent Directors (Ms. Bieto, Ms. González and Ms. Koplowitz) as well as ratification of the appointment by co-optation of a shareholder-appointed Director (Mr. Cammisecra), approved in September 2019. Furthermore, the resignation for personal reasons of Ms. Revoredo was also reported on in fiscal year 2020.

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.

The appointment and ratification resolutions approved by the 2020 General Shareholders’ Meeting included a prior analysis of the needs of the Board, completed by the external advisor as well as by the Committee itself. The Appointments and Compensation Committee justified the proposed appointments, having analyzed 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, all in accordance with Endesa’s Corporate Governance Policy and Endesa’s Candidate Director Selection Policy.

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.

The current composition of Endesa’s Board of Directors and classification of its Directors is as follows:

<table>
<thead>
<tr>
<th>Directors</th>
<th>Number</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Executive</td>
<td>1</td>
<td>7.69%</td>
</tr>
<tr>
<td>External Shareholder-Appointed</td>
<td>4</td>
<td>30.77%</td>
</tr>
<tr>
<td>External-Independent</td>
<td>8</td>
<td>61.54%</td>
</tr>
<tr>
<td>Women</td>
<td>4</td>
<td>30.77%</td>
</tr>
</tbody>
</table>
The current composition of the Board of Directors as regards number of members, structure, and professional experience and skills of its members is considered to meet the Company’s needs and complies with best corporate governance practices. In this regard it is further specified as follows:

<table>
<thead>
<tr>
<th>DIRECTORS</th>
<th>SKILLS AND COMPETENCIES</th>
<th>DIVERSITY</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Finance &amp; Risk</td>
<td>Engineering</td>
</tr>
<tr>
<td>Juan Sanchez-Calero Guilarte</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Francesco Starace</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>José Bogas Gálvez</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Maria Eugenia Bieto Caubet</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Antonio Cammisecra</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Alejandro Echevarría Busquet</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Ignacio Garralda Ruiz de Velasco</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Pilar Gonzalez de Frutos</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Mª Patrizia Grieco</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Alicia Koplowitz y Romero Juseu</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Francisco de Lacerda</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Alberto de Paoli</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Miquel Roca Junyent</td>
<td>✓</td>
<td>✓</td>
</tr>
</tbody>
</table>

**Endesa’s Candidate Director Selection Policy Update**

Endesa’s Candidate Director Selection Policy was amended on 21 December 2020 to bring it into compliance with the new text of Recommendations 14 and 15 of the Corporate Governance Code, thus increasing the gender diversity objective of women on the Board of Directors from 30% to a new target of 40% women on the Board before the end of fiscal year 2022.
5.5. APPOINTMENTS AND COMPENSATION COMMITTEE REPORT

The Appointments and Compensation Committee unanimously approved its Appointments and Compensation Committee Report for 2019, with a view to publication thereof on the Company's website for the General Shareholders' Meeting.

6. ASSESSMENT OF THE APPOINTMENTS AND COMPENSATION COMMITTEE AND OF THE BOARD OF DIRECTORS

At its meeting in January 2020, the Committee acknowledged the results of its assessment from fiscal year 2019, completed with the advice of Gómez Acebo & Pombo and with the support of the Board Secretary, included in the general assessment of the Company’s Board of Directors, and expressed its agreement and satisfaction with the results.

Likewise, it acknowledged and expressed its satisfaction with the results of the process for assessment of the Board of Directors and its Committees, and reported favorably on the proposal for an action plan to implement certain improvements, which was submitted to the consideration of the Company's Board of Directors.

The outcome of the annual performance assessment of the Board of Directors and its Committees in 2019 did not result in any changes to the internal organization of the Board of Directors or its Committees nor to the processes applicable to their activities.

At its meeting in October 2020, the Committee approved the scope and methodology for the assessment of fiscal year 2020. The Committee reported favorably on verification of the independence of Gómez-Acebo & Pombo as the external advisor who completed the assessment of the Board of Directors and its Committees in fiscal year 2020, the results of which will be reported at its meeting in January 2021.

7. 2021 AGENDA AND MEETING SCHEDULE

In accordance with the Spanish Securities Market Commission (CNMV) Technical Guidelines 1/2019 on Appointments and Compensation Committees, the Committee approved its 2021 Annual Work Plan.

The 2021 Annual Work Plan was prepared taking into account the Board of Directors’ work plan as well as the convening of the 2021 General Shareholders’ Meeting in order to prepare, where appropriate, the reports to be issued on those matters that will be addressed by the former.

8. CONCLUSIONS

The Appointments and Compensation Committee Report for fiscal year 2020 is intended to allow shareholders and other interested parties to understand the duties and work performed by the Committee, and to comply with Recommendation 6 of the Corporate Governance Code for Listed Companies, which provides that listed companies should prepare, inter alia, a report on the operation of the appointments and compensation committee, and publish such report on their website sufficiently in advance of the holding of the Annual General Shareholders’ Meeting, even if dissemination is not mandatory. This Report will be included in the "Integrated Report of the Audit and Compliance and Appointments and Compensation Committees".
9. **DATE OF PREPARATION BY THE APPOINTMENTS AND COMPENSATION COMMITTEE OF THE REPORT AND DATE OF APPROVAL BY THE BOARD OF DIRECTORS**

This report was drawn up by the Appointments and Compensation Committee for approval by Endesa’s Board of Directors on 22 January 2020 and will be published on the Company’s website for the 2021 Annual General Shareholders’ Meeting.

**SCHEDULE**

**INDIVIDUAL ATTENDANCE**

<table>
<thead>
<tr>
<th>Directors</th>
<th>Attendance</th>
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<tbody>
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**AUDIT AND COMPLIANCE COMMITTEE**

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III. SUSTAINABILITY AND GOVERNANCE COMMITTEE
A) SUSTAINABILITY AND GOVERNANCE COMMITTEE REPORT FOR FISCAL YEAR 2020
SUSTAINABILITY AND GOVERNANCE
COMMITTEE REPORT FOR FISCAL YEAR 2020
CONTENTS

1. REGULATORY FRAMEWORK
2. COMPOSITION
3. COMMITTEE DUTIES
4. COMMITTEE PROCEEDINGS AND MEETINGS
5. WORK UNDERTAKEN DURING FISCAL YEAR 2020
   5.1 Corporate Governance
   5.2 Corporate Social Responsibility and Sustainability
6. ASSESSMENT OF THE SUSTAINABILITY AND GOVERNANCE COMMITTEE
7. COMPLIANCE WITH PRACTICAL GUIDELINES
8. CONCLUSIONS
9. DATE OF PREPARATION BY THE SUSTAINABILITY AND GOVERNANCE COMMITTEE OF THE REPORT AND DATE OF APPROVAL BY THE BOARD OF DIRECTORS
1. REGULATORY FRAMEWORK

Endesa’s Sustainability and Governance Committee was voluntarily established by Endesa’s Board of Directors on 1 September 2020. The main role of this Committee is to advise the Board of Directors on 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 accordance with Endesa’s Bylaws and the Corporate Governance Code for Listed Companies published by the Spanish Securities Market Commission (Comisión Nacional del Mercado de Valores - CNMV), the Board of Directors has established a Sustainability and Governance Committee to ensure the best performance of its duties. In this regard, at the last General Shareholders’ Meeting of 5 May 2020, an amendment to the Bylaws was approved. These current amended Bylaws expressly establish a Sustainability and Governance Committee in its new Article 53, thus reflecting Endesa’s commitment to continue integrating sustainability and good governance in the management of all activities of the Endesa Group.

For such purpose, Endesa’s strategic priorities and quantitative management targets have been laid out in its 2021-2023 Sustainability Plan, as reported in the update to the Strategic Plan of 25 November 2020. These strategic priorities for the coming years are focused on contributing to the fight against climate change and achieving the Sustainable Development Goals (SDGs), taking advantage of the opportunities arising out of energy transition and limiting the potential risks posed thereby. Likewise, these priorities and their basic tenets for responsible management are reflected in the company’s commitments to its stakeholders (shareholders, customers, society, collaborators, institutions, etc.), as laid out in Endesa’s Sustainability Policy.

On account of the establishment of the Sustainability and Governance Committee, its own Regulations have been developed to govern its operation, duties and powers, among other aspects, in accordance with applicable regulations, the Bylaws and the Board of Directors Regulations.

2. COMPOSITION

The composition of the Sustainability and Governance Committee as of 31 December 2020 is:

<table>
<thead>
<tr>
<th>Position</th>
<th>Members</th>
<th>Appointment Date</th>
<th>Category</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chairman</td>
<td>Juan Sánchez-Calero Guilarte</td>
<td>01/09/2020</td>
<td>External/Independent</td>
</tr>
<tr>
<td>Director</td>
<td>Maria Patrizia Grieco</td>
<td>01/09/2020</td>
<td>External/Shareholder-Appointed(1)</td>
</tr>
<tr>
<td>Director</td>
<td>Alicia Koplowitz y Romero de Juseu</td>
<td>01/09/2020</td>
<td>External/Independent</td>
</tr>
<tr>
<td>Director</td>
<td>Miquel Roca Junyent</td>
<td>01/09/2020</td>
<td>External/Independent</td>
</tr>
<tr>
<td>Secretary</td>
<td>Borja Acha Besga</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

(1) Represents Enel

The Sustainability and Governance Committee is comprised of four non-executive members from the Board of Directors, three of which are independent (75%). The Committee also has a Shareholder-Appointed Director representing the controlling shareholder Enel, who holds 70.10% of the share capital of Endesa.

The Appointments and Compensation Committee ensured with its proposals for appointment of Sustainability and Governance Committee members that the composition of this Committee was based on a previous analysis of its needs, and ensured that said proposals foster diversity in terms of knowledge, experience and gender, thereby explicitly declaring Endesa’s commitment to the diverse composition of its governing bodies.

In particular, the composition of this Committee is intended to incorporate diverse professional and management experiences and skills, including those specific to the business carried out by the Company and those related to sustainability and best governance practices, as well as to promote, to the extent possible, gender and age diversity.
Gender: women represent 50% of the Committee.
Age: the average age on the Committee is 69.5, with ages ranging from 64 to 80.
Seniority: average seniority of the Committee members is 0.3 years, as it was established in September 2020.
The directors on the Committee come from diverse professional backgrounds, with a focus on finance and risk, in specific areas including economic/financial, internal control and business, legal, sustainability and corporate governance risk management, among others. The Directors as a whole bring together sufficient technical knowledge and experience to be able to properly perform their duties.
25% of the Committee members are not Spanish nationals.

Endesa understands that diversity in all its forms, at every level of its professional team, is a key component to ensuring the Company's competitiveness and also plays a key role in its corporate governance strategy that ensures a critical attitude, as well as the expression of different points of view and positions and the analysis of its strong and weak points.

A detailed profile for each Sustainability and Governance Committee member is provided on the Company’s website.

### DIRECTORS

<table>
<thead>
<tr>
<th></th>
<th>SKILLS AND COMPETENCIES</th>
<th>DIVERSITY</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Finance &amp; Risk</td>
<td>Engineering</td>
</tr>
<tr>
<td>Juan Sánchez-Calero Guilarte</td>
<td>✓</td>
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<tr>
<td>María Patrizia Grieco</td>
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<tr>
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</table>

### 3. COMMITTEE DUTIES

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

Until 1 September 2020, sustainability and corporate governance were the responsibility of the Audit and Compliance Committee of Endesa. Therefore, the activities carried out in these areas during the period from September to December 2020 are included in this report, and all sustainability and corporate governance activities carried out between January and August 2020 are included in the Audit and Compliance Committee Report.
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.

4. COMMITTEE PROCEEDINGS AND MEETINGS

The Sustainability and Governance Committee establishes an annual work plan laying out specific objectives for each of its duties as well as an annual meeting schedule, taking into account the time required for performance of each of the various duties and the meeting schedule of the Board of Directors.

The Sustainability and Governance Committee shall meet in accordance with the annual meeting schedule, and 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 or of the Coordinating Director, subject to a minimum of four meetings per year.

The Secretary shall, following the instructions of the Committee Chairman, channel and provide all required information and documentation to the remaining members of the Committee sufficiently in advance to ensure that all members have enough time to analyze the information and documentation prior to each meeting.

Between the months of September and December 2020, the Sustainability and Governance Committee met two times. The attendance at the meetings held was 100%.

Individual attendance by the Sustainability and Governance Committee members in fiscal year 2020 is detailed below; however, information on the individual attendance of these Committee members at the meetings of the Board of Directors and, as the case may be, of any other Committees on which they may be members is provided in Schedule I.

<table>
<thead>
<tr>
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<th>Attendance</th>
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(1) In calculating Total Attendance for Board and Committee meetings, the criteria set forth in Circular 7/2015 of the Spanish Securities Market Commission were applied, which provides forms for the annual corporate governance reports for listed companies and states that attendance by proxy granted with specific instructions shall be deemed attendance.
External Participation in Sustainability and Governance Committee Meetings (2020):

The Chairman of the Sustainability and Governance Committee requested the participation of the following at its Committee meetings: Managing Director (attended 2 meetings); General Manager of People and Organization (attended 2 meetings); General Manager of Administration, Finance and Control (attended 2 meetings); Sustainability General Manager (attended 2 meetings); Development and Compensation Manager (attended 1 meeting); and Head of Sustainability and Stakeholder Engagement Planning (attended 1 meeting).

5. WORK UNDERTAKEN DURING 2020

The Sustainability and Governance Committee, through its Chairman, has reported to the Board of Directors on the proceedings of each and every one of the meetings held. The key issues analyzed by the Committee between September and December 2020 are as follows:

5.1 Corporate Governance

The primary Corporate Governance actions performed by the Sustainability and Governance Committee from September to December 2020 were as follows:

✔ As relates to the development and amendment of the Company's regulatory system, the Sustainability and Governance Committee reported favorably on and/or proposed the following:

- Establishment of the Sustainability and Governance Committee Regulations, which lay out its powers and operation.
- Amendment of the Policy on Communication and Contacts with Shareholders, Institutional Investors and Proxy Advisors to ensure compliance with the recommendations of the Corporate Governance Code for Listed Companies and to promote effective business management.

✔ Monitor compliance with the Company’s corporate governance rules:

- At its meeting on 14 December 2020, the Committee assessed the Annual Corporate Governance Report (2020) prior to approval thereof, in order verify compliance with the recommendations of the Code or, where appropriate, to explain any non-compliance, taking into account the particular perspective and circumstances relating to Endesa's corporate governance.

✔ Monitor, within the scope of its purview, the strategy for communication and contacts with shareholders, investors and proxy advisors. The Sustainability and Governance Committee concluded that Endesa’s disclosure channels function properly and are operated in accordance with the general principles of Endesa’s Policy and in accordance with best corporate governance practices.

At its meeting on 21 December 2020, the Sustainability and Governance Committee established a meeting schedule, annual work plan for 2021, and its targets for fiscal year 2021.
5.2 Corporate Social Responsibility and Sustainability

The key corporate social responsibility and sustainability duties performed by the Sustainability and Governance Committee in 2020 were:

- The Sustainability and Governance Committee reported favorably, prior to its approval by the Board of Directors, on the amendment of the Sustainability Policy based on the amendments to the Corporate Governance Code for Listed Companies, approved by the CNMV in June 2020.

- Received information on the listing and position of the Endesa Group on the most widely recognized international sustainability indexes, specifically, on updates to the DJSI and VIGEO ratings, referring to ESG (Environmental, Social and Corporate Governance), and on various awards and recognitions received by Endesa in the field of Sustainability.

- As relates to diversity and integration: the Committee monitored and received information on Endesa’s gender diversity and equal opportunities policies, as well as on the actions taken by the Company in this area, and on the implementation of disability integration policies at Endesa. Specifically, the Committee monitored Endesa’s accession to the Valuable 500 Program for disability integration within its business strategy framework.

- Finally, the Committee acknowledged the actions taken as part of Endesa’s Public Responsibility Plan to respond to the health, economic and social crisis of COVID-19.

6. ASSESSMENT OF THE SUSTAINABILITY AND GOVERNANCE COMMITTEE

The Sustainability and Governance Committee has held two meetings since it was established, effective 1 September 2020. The first was held on 24 September 2020 and the second on 14 December 2020.

As part of the annual assessment of the Board, the Sustainability and Governance Committee must assess its performance to strengthen its operation and improve its planning for the following year, in coordination with the Appointments and Compensation Committee.

In fiscal year 2020, the assessment of the Board of Directors, as well as of the established Committees, began in November. Although the Sustainability and Governance Committee actively works to ensure compliance with the duties attributed thereto, it was determined that an assessment of this Committee in fiscal year 2020 would not be suitable, as the review of its activity in this period would not be representative of the entire fiscal year.

7. COMPLIANCE WITH PRACTICAL GUIDELINES

The actions of Endesa’s Sustainability and Governance Committee are based on applicable legislation, as well as on the Bylaws, Board of Directors Regulations, Sustainability and Governance Committee Regulations, and on the Corporate Governance Code for Listed Companies.
8. CONCLUSIONS

The Sustainability and Governance Committee Report for fiscal year 2020 is intended to allow shareholders and other interested parties to understand the duties and work completed.

9. DATE OF PREPARATION BY THE SUSTAINABILITY AND GOVERNANCE COMMITTEE OF THE REPORT AND DATE OF APPROVAL BY THE BOARD OF DIRECTORS

This report was drawn up by the Sustainability and Governance Committee for approval by Endesa’s Board of Directors on 22 January 2020 and will be published on the Company’s website for the Annual General Shareholders’ Meeting.
## INDIVIDUAL ATTENDANCE

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