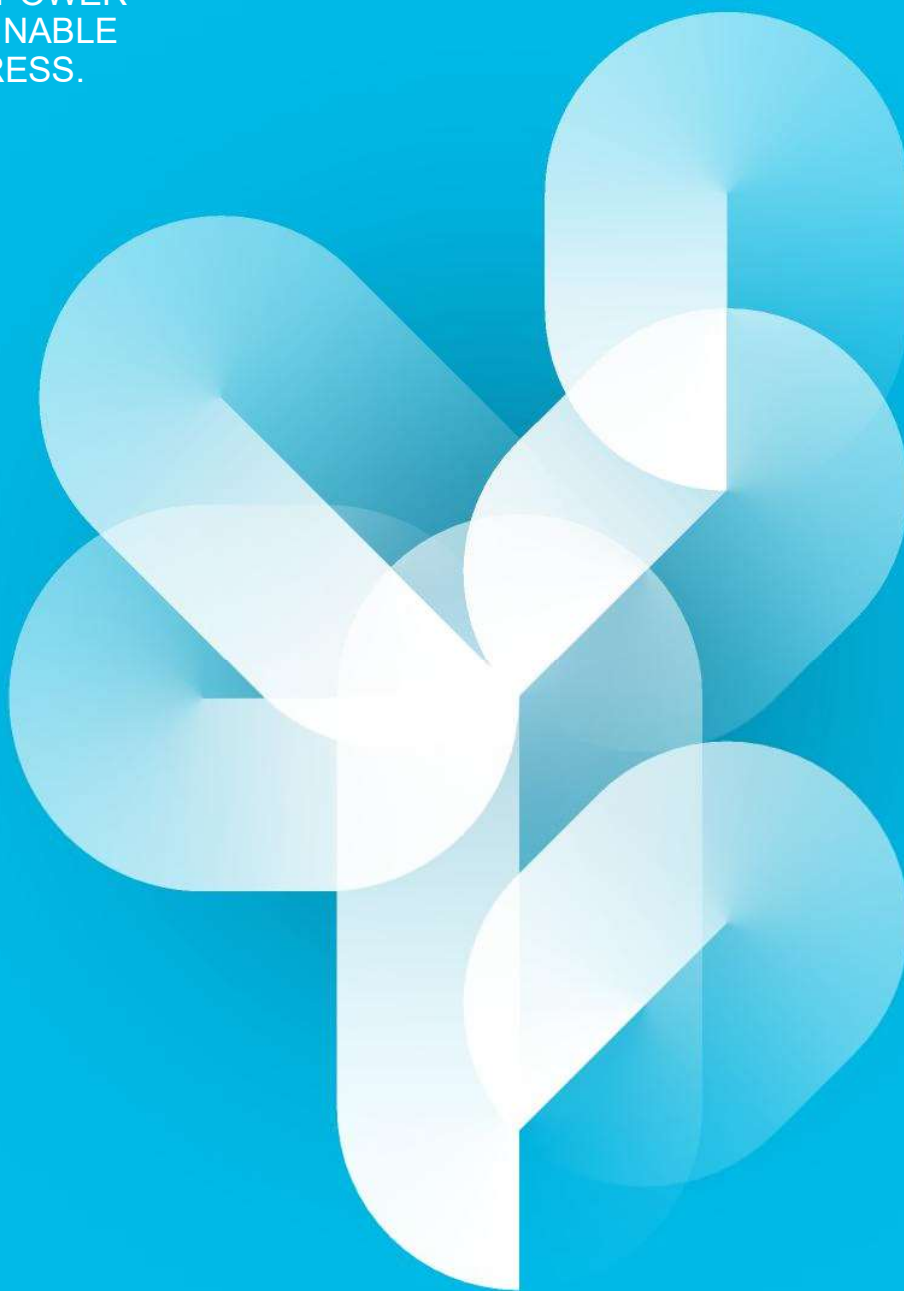


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**Board Committee Integrated Report
for Financial Year 2022**

endesa



BOARD COMMITTEE INTEGRATED REPORT FOR FINANCIAL YEAR 2022

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

CONTENTS

I. AUDIT AND COMPLIANCE COMMITTEE

- A) AUDIT AND COMPLIANCE COMMITTEE ACTIVITY REPORT CORRESPONDING TO FINANCIAL YEAR 2022
- B) ENDESA, S.A. AUDIT AND COMPLIANCE COMMITTEE REPORT ON THE INDEPENDENCE OF THE AUDITOR
- C) REPORT ON RELATED-PARTY TRANSACTIONS WITH SIGNIFICANT SHAREHOLDERS AND DIRECTORS, REPORTED BY THE AUDIT AND COMPLIANCE COMMITTEE TO THE BOARD OF DIRECTORS, DURING THE 2022 FINANCIAL YEAR
- D) AUDIT AND COMPLIANCE COMMITTEE REPORT ON THE STATUTORY AUDIT FOR FINANCIAL YEAR 2022

II. APPOINTMENTS AND COMPENSATION COMMITTEE

- A) REPORT ON THE ACTIVITIES OF THE APPOINTMENTS AND REMUNERATION COMMITTEE FOR THE 2022 FINANCIAL YEAR

III. SUSTAINABILITY AND GOVERNANCE COMMITTEE

- A) REPORT OF ACTIVITIES OF THE SUSTAINABILITY AND CORPORATE GOVERNANCE COMMITTEE CORRESPONDING TO 2022

ANNEX I

PERSONALIZED ATTENDANCE PERCENTAGES AT BOARD AND COMMITTEE MEETINGS IN 2022

I. AUDIT AND COMPLIANCE COMMITTEE

A) AUDIT AND COMPLIANCE COMMITTEE ACTIVITY REPORT
CORRESPONDING TO FINANCIAL YEAR 2022



**AUDIT AND COMPLIANCE COMMITTEE REPORT
FOR FISCAL YEAR 2022**

CONTENTS

- 1. REGULATORY FRAMEWORK.**
- 2. COMPOSITION.**
- 3. COMMITTEE DUTIES.**
- 4. COMMITTEE PROCEEDINGS AND MEETINGS.**
- 5. WORK UNDERTAKEN DURING FISCAL YEAR 2022.**
 - 5.1 Financial and Non-Financial Information and Internal Control Mechanisms.**
 - a) Report on Annual Financial Statements, Management Report and Proposed Application of Earnings for Fiscal Year 2021.**
 - b) Individual and Consolidated Semi-Annual Financial Statements for the First Half of 2022 and Quarterly Consolidated Financial Information.**
 - c) System of Internal Control Over Financial and Non-Financial Reporting.**
 - d) Endesa's Non-Financial Information and Sustainability Statement 2021.**
 - e) Other Actions Related to Financial and Non-Financial Reporting.**
 - 5.2 Internal Audit.**
 - 5.3 Statutory Audit.**
 - 5.4 Risk Management Control System.**
 - 5.5 Tax Matters.**
 - 5.6 Regulatory Compliance.**
 - 5.7 Related-Party Transactions.**
 - 5.8 Other Responsibilities.**
- 6. ASSESSMENT OF THE AUDIT AND COMPLIANCE COMMITTEE.**
- 7. INFORMATION ON THE COMMITTEE'S OPINION ON STATUTORY AUDITOR INDEPENDENCE.**
- 8. COMPLIANCE WITH PRACTICAL GUIDELINES.**
- 9. CONCLUSIONS.**
- 10. DATE OF PREPARATION BY THE AUDIT COMMITTEE OF THE REPORT AND DATE OF APPROVAL BY THE BOARD OF DIRECTORS**

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

In February 2022, Ms. Koplowitz tendered her resignation as a member of the Audit and Compliance Committee. According to her statement, the reasons were purely personal, rendering it impossible for her to maintain the same level of dedication.

In order to keep the composition of the Committee at five members, the Endesa Board of Directors approved, at its May 2022 meeting and at the proposal of the Appointments and Compensation Committee, the appointment of Ms. Cristina de Parias Halcón as a member of the Audit and Compliance Committee for a term of four years.

The composition of the Audit and Compliance Committee as of 31 December 2022 is:

Position	Members	Date First Appointment	Date Last Appointment	Category
Chairman	Francisco de Lacerda	07/05/2015	01/09/2020 01/09/2020*	External/Independent
Director	Ms. Eugenia Bieto Caubet	01/09/2020	01/09/2020	External/Independent
Director	Ms. Pilar González de Frutos	01/09/2020	01/09/2020	External/Independent
Director	Alberto de Paoli	04/11/2014	01/09/2020	External/Shareholder-Appointed (1)
Director	Ms. Cristina de Parias Halcón	09/05/2022	09/05/2022	External/Independent
Secretary	Borja Acha Besga	01/08/2015		

(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 whom are independent (80%). Furthermore, the Committee has a Shareholder-Appointed Director representing the controlling shareholder Enel, who holds 70.1% of the share capital of Endesa.

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 and legal skills, as well as to promote, to the extent possible, gender diversity.

- Gender: women represented 60% of the Committee in 2022.
- Age: the average age on the Committee is 62.80, with ages ranging from 57 to 72.
- Seniority: average seniority of the Committee members for 2022 is 4.2 years, compared to 3.2 years in 2021.
- 40% of the Committee members are not Spanish nationals.
- The Directors on the Committee come from diverse professional backgrounds, with a focus on strategy, 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.

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.

DIRECTORS													
	Finance & Risk	Engineering	Legal	Management	Strategy	ICT	HR	Sustainability and Governance	Climate Change	Tenure (years) *	Nationality	Gender	Age*
Francisco de Lacerda	✓			✓	✓		✓	✓		7.8	PRT	M	62
Ms. Maria Eugenia Bieto Caubet	✓			✓	✓		✓	✓		2.7	ESP	F	72
Ms. Pilar Gonzalez de Frutos	✓		✓	✓	✓					2.7	ESP	F	66
Alberto de Paoli	✓			✓	✓					8.2	ITA	M	57
Ms. Cristina de Parias Halcón	✓		✓	✓	✓	✓		✓		0.8	ESP	F	57

During the assessment process of the Board of Directors and its Committees carried out with the assistance of PWC, the latter remarked that not only is the Board compliant with certain gender diversity ratios, but it also has complementary profiles of an exceptional caliber, possessing considerable experience of the business and of the wider industry, and with financial, managerial, academic, legal and other backgrounds. The independent consultant also noted that the Board's international experience is sufficient and adequate in view of the markets in which the Company currently operates.

Endesa believes that the Directors play a pivotal role in promoting good governance at the Company, and the composition of the Board of Directors and its Committees is a decisive factor in that sense, enhancing the decision-making process and making the Directors more adept and effective at promoting the corporate interest. In this regard, Director knowledge and expertise are increasingly becoming a key asset for the Company, for the proper operation of the Board and the Committees, and for stakeholders.

However, Endesa considers the regular updating of the Directors' knowledge to be essential in ensuring that the Directors have an outstanding grasp of innovative, technical and complex matters and this training is approved by the Appointments and Compensation Committee each year. It is also considered immensely important for Board members and Committee members alike to be able to rely on the advice and support of independent third-party experts on any aspects that they deem appropriate. For this reason, both the Board of Directors and the Committees of Endesa have budgets set aside so that their members can seek and obtain any advice they consider appropriate in each case.

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 or the General Shareholders' Meeting 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.

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, semi-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 thirteen times during fiscal year 2022. The average in-person attendance at the meetings held was 94.91%.

Individual attendance by the Audit and Compliance Committee members in fiscal year 2022 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.

AUDIT AND COMPLIANCE COMMITTEE			
Directors	In-Person Attendance (1)	Proxies	Total Attendance
Francisco de Lacerda	13/13	-	13/13
Maria Eugenia Bieto Caubet	13/13	-	13/13
Pilar Gonzalez de Frutos	13/13	-	13/13
Alicia Koplowitz y Romero de Juseu ⁽¹⁾	1/1	-	1/1
Alberto de Paoli	11/13	0/2	11/13
Cristina de Parias Halcón ⁽²⁾	5/6	1/1	6/6

⁽¹⁾ In calculating "In-Person Attendance" at Board and Committee meetings, both physical attendance and remote attendance using a method that allows for direct interaction by the Director shall be taken into account. For such purposes, attendance by proxy, even if the proxyholder is granted specific instructions, shall not be considered in-person attendance, in accordance with the criteria set forth in Circular 3/2021 of the Spanish Securities Market Commission (CNMV), which provides forms for the Annual Corporate Governance Reports for listed companies.

⁽¹⁾ Ms Koplowitz's term of office on the Audit and Compliance Committee came to an end in February 2022.

⁽²⁾ Ms de Parias Halcón joined the Audit and Compliance Committee in May 2022.

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, semi-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 may be discussed in private.

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

The Chairman of the Audit and Compliance Committee may also, through the Secretary, invite or require any executive or employee of Endesa, 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.

External Participation in Audit and Compliance Committee Meetings (2022):

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 13 meetings); Audit General Manager (attended 13 meetings); Managing Director (attended 13 meetings); the Director of Legal and Compliance Services (attended 3 meetings); Tax Manager (attended 1 meeting); Competition Manager (attended 1 meeting); General Manager of People and Organization (attended 4 meetings); Sustainability General Manager (attended 1 meeting); managers or heads of other corporate areas (attended 13 meetings) and finally, the External Auditor (KPMG has attended 4 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 2022

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 2022 are as follows:

5.1 Financial and Non-Financial Information and Internal Control Mechanisms.

a) Report on Annual Financial Statements, Management Report and Proposed Application of Earnings for Fiscal Year 2021.

The Audit and Compliance Committee, at its meeting on 21 February 2022, 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 2021 and the proposed application of earnings for fiscal year 2021, prior to the drawing up thereof by the Board of Directors.

In performing its oversight duties relating to the Annual Financial Statements, the Committee took into account the following:

- Certification of the External Auditor's independence, based on an independence report drawn up by the Committee itself and on a statement of independence submitted to the Committee by the Statutory Auditor.
- The various reports submitted by the Statutory Auditor during the meetings at which it appeared before the Committee and, more precisely, the Auditor's Report on the individual and consolidated Financial Statements of Endesa for the year ended 31 December 2021, which contain an unqualified opinion stating that the Financial Statements reflect, in all material respects, a true and fair view of the Company's equity and financial position, as well as its profits and cash flows. The auditor likewise stated that it evaluated the accounting policies without finding any significant deviation or "audit differences" and that no instances of fraud or other illegal acts had been detected.
- The contents of the Additional Report to the Audit and Compliance Committee, as issued by the External Auditor in accordance with Article 11 of Regulation (EU) 537/2014 and Article 36 of the Statutory Auditing Law (*Ley de Auditoría de Cuentas*, "LAC"), which addresses the following issues:
 - ✓ Audit Planning (schedule, team, materiality for consolidated and individual audit and scope of the audit).
 - ✓ Audit findings in relation to the focus areas covered by the audit of the Endesa Group, consolidation scope, audit methodology and valuation methods, concluding that there were no material inconsistencies, material errors or presentation issues in breach of applicable law.
 - ✓ Ongoing communication between the lead audit partner and Endesa's Management throughout the audit process.
 - ✓ European Single Electronic Format Regulation and Reporting, concluding that the digital files examined (xHTML files) exactly match the audited Annual Financial Statements, both individual and consolidated; that the audited consolidated Annual Financial Statements were drawn up and marked (labeled), in all material respects, in accordance with the requirements set forth in the ESEF (European Single Electronic Format) Regulation.
- The effectiveness of the System of Internal Control Over Financial and Non-Financial Reporting, as evidenced by four reports, submitted by the Internal Control Unit (Administration, Finance and Control Department), the Audit Department and an independent expert (Deloitte), as well as by the statements of the External Auditor itself.
- Verification of the 2021 Non-Financial Information and Sustainability Statement by the Company's Auditor who, after examining the statement, found that it did not present any inconsistencies or other concern in respect of Spanish commercial legislation and the GRI (Global Reporting Initiative) index.
- The accounting and financial explanations and arguments presented to the Committee by the General Manager of Administration, Finance and Control.

Finally, the Annual General Shareholders' Meeting of Endesa, S.A. held on 29 April 2022, approved the Individual Annual Financial Statements of Endesa, S.A. (Balance Sheet; Income Statement; Statement of Changes in Net Equity; Statement of Recognized Income and Expenses & Statement of Total Changes in Net Equity; Cash-Flow Statement and Notes to the Financial Statements), as well as of the Consolidated Annual Financial Statements of Endesa, S.A. and its subsidiary companies (Consolidated Statement of Financial Position, Consolidated Income Statement, Consolidated Statement of Other Comprehensive Income, Consolidated Statement of Changes in Net Equity, Consolidated Cash-Flow Statement and Notes to the Financial Statements), for fiscal year ending 31 December 2021.

b) Individual and Consolidated Semi-Annual Financial Statements for the First Half of 2022 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 consolidated interim statements for the first and third quarter of 2022 and the individual and consolidated semi-annual financial report for the first half of 2022.

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

Following enactment of Law 5/2021, of 12 April, in effect from 3 May 2021, Article 120 of the amended and restated text of the Spanish Securities Market Act (*Ley del Mercado de Valores*, "LMV") was removed, as a result of which, companies whose shares are listed on regulated markets are no longer required to release quarterly Financial Information, thus bringing Spanish law in line with that of other European Union countries and with the relevant markets in Europe.

Companies may continue to disclose quarterly information if they so wish. However, Article 234.2, relating to the powers of intervention of the National Securities Market Commission (CNMV), has also been amended to allow the CNMV to require the disclosure of quarterly information in performing its duty to verify the information regularly disclosed by companies. Notably, the release of quarterly information can be helpful for investors in certain cases. Endesa, for one, has decided to continue publishing interim statements, even though they are no longer mandatory.

At the Audit and Compliance Committee meeting held on 26 July 2021, the representatives of the External Auditor, KPMG Auditores, S.L., reported to the Committee on the limited review performed on the Interim Summary Individual and Consolidated Financial Statements of Endesa, S.A. and its subsidiary companies for the period ended 30 June 2022. In summary, the auditors confirmed that, based on their Limited Review, no matter came to their attention which made them conclude that the Interim Summary Individual and Consolidated Financial Statements for the six-month period ending 30 June 2022 were not prepared, in all significant aspects, in accordance with the requirements established by International Accounting Standard (IAS) 34, Interim Financial Reporting, as adopted by the European Union, and as provided by Articles 12 and 13 of Royal Decree 1362/2007, of 19 October, for preparation of summary interim financial statements, and Circular 3/2018 of the Spanish Securities Market Commission (CNMV).

c) System of Internal Control Over Financial and Non-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.

During fiscal year 2022, the Audit and Compliance Committee monitored the operation and effectiveness of:

- ✓ The System of Internal Control Over Financial and Non-Financial Reporting for fiscal year 2021, at its meeting on 21 February 2022, 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 and Non-Financial Reporting is sufficiently trustworthy and reliable and that the assessment of operation of the System of Internal Control Over Financial and Non-Financial Reporting at 31 December 2021 was satisfactory, not revealing any deficiency that would affect the overall performance of said System.

- ✓ The System of Internal Control Over Financial and Non-Financial Reporting for the first half of 2022, at its meeting on 26 July 2022, 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 and Non-Financial Reporting is sufficiently trustworthy and reliable and that it operated effectively in the first half of 2022.

In addition, the Committee authorized the engagement of Ernst & Young (EY) to assess the effectiveness, trustworthiness and reliability of Endesa's System of Internal Control Over Financial and Non-Financial Reporting for fiscal year 2022. Endesa's System of Internal Control Over Financial and Non-Financial Reporting is designed to comply with the obligations and recommendations set forth in the Capital Corporations Law, in the Corporate Governance Code for Listed Companies (CNMV) and in Technical Guide 3/2017 on audit committees of public interest entities (CNMV, 27 June 2017). The Committee's authorization, as aforesaid, is consistent with the decision previously reached by the Committee at its October 2017 meeting, at which it established an action plan that included, for each fiscal year, monitoring of the effectiveness of the System of Internal Control Over Financial Reporting, through the reports issued by the Internal Control Unit (Administration, Finance and Control Department), by the Audit Department, and by an independent third party.

d) Endesa's Non-Financial Information and Sustainability Statement 2021.

The Committee coordinates the Financial and Non-Financial Reporting process and the supervision and control of the processes of drawing up and presenting the Financial and Non-Financial Reports, for its subsequent drafting by the Company's Board of Directors.

In November 2019, the CNMV announced that all Non-Financial Reporting should be disclosed in a single document. Therefore, the Non-Financial Information and Sustainability Statement of the Consolidated Group for fiscal year 2021 was drawn up as a single report (thus unifying the two non-financial information documents that had been being published up until that point, namely the Non-Financial Information Statement and the Sustainability Report), and verified by the Statutory Auditor without qualification and in accordance with the changes ushered in by Law 11/2018, of 28 December.

The Audit and Compliance Committee, at its meeting on 21 February 2022, analyzed, with the participation of the Sustainability General Manager, the Non-Financial Information and Sustainability Statement of the Consolidated Group, verified by the Statutory Auditor.

In accordance with applicable regulations, the Non-Financial Information and Sustainability Statement includes the information necessary to understand the performance, results and position of Endesa, 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, in accordance with Law 11/2018, of 28 December. It also includes further Non-Financial Information on relevant topics for all stakeholders that respond to the information needs of those stakeholders, and is prepared according to the most advanced international standards: GRI (Global Reporting Initiative) and the AA1000 Stakeholder Engagement Standard.

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 2021.

- 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, of 23 June, on technical and legal requirements on the information that must be included in the websites of Spanish listed public limited companies, all with the assistance of the external advisor Ernst & Young S.L.
- In January 2022, the General Manager of Administration, Finance and Control announced that Endesa had begun the complete development of the Internal Control over Non-Financial Reporting System in fiscal year 2021 through a project which prioritized the requirements of Law 11/2018, of 28 December, on diversity and non-financial reporting, thus extending the methodology of the System of Internal Control over Financial Reporting (ICFRS) to include non-financial reporting as well, with an "end-to-end" scope, and guaranteeing the reliability of the Non-Financial Information for fiscal year 2021.
- Information was delivered to the Committee in response to requests for information received from the CNMV (among others, risks associated with climate change and practical application of the requirements of Law 22/2015 of 20 July, on Statutory Auditing).
- The Committee was informed of all relevant financial transactions for fiscal year 2022 at its meetings of 9 May, 26 July, 26 September and 14 October.

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 2022:

- ✓ Approval of the Internal Audit budget and work plan for 2022, as well as any amendments arising during said period.
- ✓ Internal Audit reports from fiscal year 2021 and quarterly reports (Q1, Q2, Q3) of 2022, including a report on ethical complaints.
- ✓ Report on compliance with Internal Audit action plans as at 31 December 2021 and 30 June 2022.
- ✓ Internal Audit Report on related-party transactions for fiscal year 2021 and the first half of 2022 and Report on performance of the technical service and management support agreements with the Enel Group during the first half of 2022.
- ✓ Further to its supervisory functions, the Committee validated, with the support of the external advisor Deloitte and the Audit Department, that the Endesa 2021 Compensation Audit Report had been prepared, in all material respects, in accordance with the requirements set forth in Article 8 of Royal Decree 902/2020 of 13 October, on equal pay for men and women.

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

In this regard, the Committee selected the consulting firm Deloitte to carry out the assessment of the Internal Audit function and the performance of its manager during fiscal year 2021. This assessment consisted of reviewing the work, methodology and internal management of the

function during 2021. Upon completion, Deloitte awarded Endesa's Internal Audit function the highest rating, *based on the analytical procedures applied*.

In addition, the Committee, when carrying out the performance assessment of the Internal Audit manager, oversaw the calculation of her variable compensation in 2021, as well as her targets for 2022, following the relevant reports, in both cases, from the General Manager of People and Organization, so as to ensure that the targets for this functional area do not compromise the manager's objectivity and independence.

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 its "Statutory Audit Results for Fiscal Year 2021" 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:
 - The Committee, at its meeting on 21 February 2022, issued a report on the independence of the External Auditor, in which 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 audit firm.

Moreover, and in accordance with the Action Protocol for Relations Between Endesa S.A. and Enel S.p.A., the Committee requested information from the Auditor on the non-audit services that its statutory auditor or the members of its network had provided to the parent company Enel. The Committee concluded that those non-audit services do not affect the auditor's independence to analyze Endesa's financial statements, while respecting the autonomy of Enel's own Audit Committee (*Collegio Sindacale*) to analyze and authorize the non-audit services provided by the Statutory Auditor to Enel.

- The External Auditor likewise confirmed that it has complied with the independence requirements set forth in applicable regulations governing statutory auditing in Spain.
- The Committee approved and reported to the Board of Directors on the provision of additional services by the audit firm KPMG, including the relevant budgets therefor, at its meetings of 21 February 2022, 26 April 2022; 20 June 2022, 14 October 2022, 7 November 2022 and 20 December 2022. The Committee also reported on the Statutory Audit services provided by KPMG to subsidiaries.

Endesa requires that the External Auditor provide 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, in which the auditor confirms that, to

the best of its knowledge, the services comply with relevant independence Standards.

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.

- The Committee reported favorably to the Board of Directors on the increase in the fees payable to KPMG for its services in auditing the Annual Financial Statements of Endesa, S.A., both individual and consolidated, following the changes made the Consolidated Annual Financial Report to provide information in line with market practice and the redesign and higher number of audit tests due to changes in the Company's IT systems.
- ✓ In May 2022, the Statutory Auditor reported to the Committee on the 2022 activity plan, the scope of its audit work and the reports to be delivered, as well as the key/material audit issues affecting Endesa, S.A. and its Group. In November 2022, the Auditor reported on the audit plan and strategy for the year ended 31 December 2022; on the schedule and main activities it had been performing throughout the year; on the concept and scope of the materiality criterion; on the scope of the most significant work and risks; and on the meetings held with the management team and management bodies.
- ✓ 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 May 2022, 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 practices 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. The Committee concluded that the services provided by KPMG Auditores, S.L. during fiscal year 2021 in auditing the Annual Financial Statements of Endesa, S.A., both individual and consolidated, were satisfactory, having professionally complied with its legal obligations and with the service agreements entered into between the parties during that year.
- Lastly, at its meeting on 21 February 2022, the Committee analyzed the potential reappointment of the Auditor or, otherwise, the activation of the procedure for selecting a new auditor due to the expiration of the mandate of the current Statutory Auditor, KPMG Auditores, S.L., on 31 December 2022. The Committee concluded to recommend to the Company's Board of Directors to renew KPMG Auditores, S.L. mandate to audit the individual and consolidated Annual Financial Statements of Endesa, S.A. for the 2023–2025 period. On 29 April 2022, Endesa's General Shareholders' Meeting approved the reappointment of KPMG Auditores, S.L. as Statutory Auditor of the individual and consolidated Annual Financial Statements of Endesa, S.A. for fiscal years 2023, 2024 and 2025.

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:

- Proposed to the Board of Directors, among other matters, the annual assessment of both financial and non-financial risks, the 2022 risk map and the established risk tolerance level, and reported to the Board of Directors on the performance of risk indicators and on all related measures taken.
- 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 21 March 2022, 22 June 2022, 26 September 2022 and 20 December 2022.
- Reported on the Risk Appetite Framework for fiscal year 2023, prior to its approval by the Board of Directors.

Additionally, and in compliance with the requirement laid out in Spanish Securities Market Commission (CNMV) Technical Guidelines 3/2017 to receive regular reports on the operation of the systems in place and on the conclusions reached regarding the risk management system, the Committee received information throughout the year in relation to various risks.

5.5 Tax Matters.

The primary actions carried out by the Audit and Compliance Committee in 2022 in performance of its tax-related duties were as follows:

- ✓ Receiving information from the tax manager, to be communicated to the Board of Directors, on the Tax Policies followed by Endesa throughout fiscal year 2021, 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 controlled Subsidiaries are signatories.
- ✓ Receiving information from Endesa's Audit Department on the audit of the Tax Compliance Management System for the fiscal year 2021, in accordance with the UNE 19602 standard, and reporting on the start of the process to renew AENOR certification in 2022.
- ✓ Receiving information on the issuance of a Tax Transparency Report with all relevant information for third parties.

5.6 Regulatory Compliance.

The main actions carried out by the Audit and Compliance Committee during fiscal year 2022 in performance of its crime risk prevention duties were as follows:

- Monitoring compliance with the Crime Risk Prevention and Anti-Bribery Model:
 - Report on the activities of the Crime Risk Supervisory Committee in 2021 and its new Plan of activities for fiscal year 2022.
 - Report on the activities of the Supervisory Committee (SC) of the Crime Risk Prevention and Anti-Bribery Model during H1 2022 and Q3 2022.
 - Report on the renewal of AENOR UNE 19601 and UNE-ISO 37001 certifications for fiscal year 2022, and on the process of selecting and engaging the services of suppliers for the issuance of UNE 19601 and 19602 (criminal and tax compliance) and UNE ISO 37001 (anti-bribery) certifications for the 2023-2025 period, and for the mapping of digital risks in accordance with Spanish Criminal Code (*Código Penal*).

- Monitoring compliance with applicable data protection regulations and receiving information from the Data Protection Officer on the requirements of the competent bodies:
 - Approving the Company's Data Protection Action Program for fiscal year 2022.
 - Providing status updates on the implementation of the 2022 Data Protection Action Program at its meetings held in June and December 2022.
- ✓ Further to its remit of implementing global systems or management models for regulatory and antitrust compliance, the Committee also approved the schedule and calendar of oversight and control activities in the realm of antitrust compliance for the year 2022, and received information on the implementation of Endesa's Antitrust Compliance Program during fiscal year 2021 at its meeting held in March 2022.

5.7 Related-Party Transactions.

All information on related-party transactions reported by the Committee in 2022 is available in the *"Report on Related-Party Transactions carried out with Significant Shareholders and Directors, as reported by the Audit and Compliance Committee to the Board of Directors during fiscal year 2022."*

Furthermore, and in compliance with Article 529 *unvicies* of the Capital Corporations Law, in fiscal year 2022 Endesa announced on its website and communicated to the CNMV (on 29 April 2022, 10 May 2022, 17 October 2022 and 18 November 2022), for public disclosure, the related-party transactions approved by its Board of Directors or General Meeting that reached or exceeded the thresholds laid down in the Law.

Each such communication was accompanied by the relevant reports issued by Endesa's Audit and Compliance Committee in relation to each of the related-party transactions having been approved and published. The reports describe the nature, circumstances and consideration of the transaction, together with all the information needed to demonstrate that the related-party transaction was fair and reasonable for the Company and for the shareholders other than the related party concerned. They also explain the assumptions on which the evaluation was based and the methods employed.

Moreover, and in accordance with Endesa's internal regulations, in drawing up the aforementioned reports, the Audit and Compliance Committee requested, for each transaction, at least one report from an independent expert to also assess the fairness and reasonableness of the transaction for the Company and for the shareholders other than the related party concerned.

5.8 Other Responsibilities.

The Audit and Compliance Committee carried out the following actions in fiscal year 2022 in respect of other matters that fall within its remit:

- ✓ Issuing a favorable report, prior to approval thereof by the Board of Directors, on the proposed amendments to the Enel Group's Corporate Governance Guidelines, which shall be implemented unless the law provides otherwise.
- ✓ Proposing 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 2021, all at its meeting on 25 January 2022.

- Annual Corporate Governance Report 2021, at its meeting on 22 February 2022.
- ✓ Issuing a favorable report to the Board of Directors, in collaboration with the Appointments and Compensation Committee, on the terms of the 2022 Temporary Share Buy-Back Program – flexible share-based compensation for Endesa employees.
- ✓ Issuing a favorable report to the Board of Directors, in collaboration with the Appointments and Compensation Committee, on the terms of the Temporary Share Buy-Back Program in connection with Endesa's 2022–2024 Strategic Incentive Plan.
- ✓ Meeting with Enel's Collegio Sindacale to share and discuss the main activities carried out by the Committee during fiscal year 2021, as well as other relevant aspects of Endesa's business and, in short, to exchange experiences and best practices in auditing, financial reporting and corporate governance, and to help ensure compliance by the Collegio Sindacale with its own obligations under Italian law.
- ✓ Monitoring the communications strategy and relationships with shareholders and investors.
- ✓ The Committee also received, at its February 2022 meeting, information on the resignation tendered by Ms Koplowitz on 14 February 2022 as a member of the Sustainability and Governance Committee and the Audit and Compliance Committee.
- At its meeting on 20 December 2022, the Audit and Compliance Committee approved a meeting schedule and annual work plan for 2023, as well as its 2023 targets, and also verified attainment of the established targets for fiscal year 2022.

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 Committee carries out, on annual basis, a performance assessment on the effective operation of the Audit and Compliance Committee.

In January 2022, the Audit and Compliance Committee acknowledged and expressed its agreement and satisfaction with the results of its 2021 performance assessment, and reported favorably on the findings thereof, which was included as part of the overall assessment of the Company's Board of Directors.

At its October 2022 meeting, the Appointments and Compensation Committee approved the scope and methodology of the assessment process for fiscal year 2022 and reported favorably on the engagement of PwC as external advisor to support the assessment process of the Board of Directors and its Committees. The Committee also verified the independence of the external consultant at that meeting. The results of the assessment process were presented to this Committee at its meeting on January 2023. 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 21 February 2022. This Report states that all additional services provided 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 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 was reported to Endesa's Audit and Compliance Committee on 24 July 2017. 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 2022 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.A.'s Board of Directors on 24 January 2023 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 AUDITORS



**ENDESA, S.A. AUDIT AND COMPLIANCE
COMMITTEE REPORT ON THE
INDEPENDENCE OF THE STATUTORY
AUDITOR**

22 February 2023

ENDESA, S.A. AUDIT AND COMPLIANCE COMMITTEE REPORT ON THE INDEPENDENCE OF THE STATUTORY AUDITOR

Justification

In accordance with Article 529 *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 2022.

This Report includes, *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 2022, 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:

- Audit of the Consolidated Annual Financial Statements of Endesa, S.A. and subsidiaries, prepared in accordance with International Financial Reporting Standards, as adopted by the European Union.
- Audit of the Individual Annual Financial Statements of Endesa, S.A., prepared in accordance with the General Chart of Accounts approved in Spain.
- Agreed Procedures for information relating to the Internal Reporting Control System (IRCS).
- Limited Review of the Individual Financial Information of Endesa, S.A., prepared in accordance with the General Chart of Accounts approved in Spain, and Limited Review of the Consolidated Summary Interim Financial Statements of Endesa, S.A. and its subsidiaries as at 30 June, prepared in accordance with International Financial Reporting Standards, as adopted by the European Union.
- Additional Report to the Audit and Compliance Committee of Endesa, S.A. detailing the results of the audit carried out.
- Independent Verification Report on the Sustainability Report and Non-Financial Information Statement of Endesa, S.A. and its subsidiary companies, prepared by KPMG, S.L.

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 2022, KPMG Auditores, S.L., attended one meeting of the Company's Board of Directors, to report on key matters of the 2022 audit with respect to derivatives on commodities, renewables liabilities, distribution consideration, judgment on the carbon dioxide (CO₂) emission allowances, new tax on power companies and impairment test on the Non-Peninsular Territories (NPT).

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 2022.

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 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 2022 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 2022.

- 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 2022:

(Thousands of euros) Services Provided	Fees 2022		
	Company	Subsidiary Companies	Total
Statutory Audit Services	1,101	771	1,872
Other Audit-Related Services			
- Reports on Agreed Procedures	153	207	360
- Report on Agreed Procedures for information relating to the Internal Financial Reporting Control System (IFRCS)	156	-	156
- Other Related Services	69	-	69
Reports on the Limited Review of the Interim Financial Statements	244	-	244
• Total Audit, Audit-Related and Limited Review Services	1,723	978	2,701
Tax Services	-	-	-
Other Services	-	-	-
• Total Fees	1,723	978	2,701

In fiscal year 2022, total fees received by the Company's Statutory Auditor or its Network totaled €2,701 thousand, of which:

- €1,872 thousand were for Statutory Audit services;
- €244 thousand were for Limited Review of the Interim Financial Statements;
- €402 thousand were for services other than statutory auditing and limited review reports, representing 19.02% 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 €183 thousand 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 2022 totaled €1,872 thousand and include the Statutory Audit of the Individual and Consolidated Financial Statements of Endesa, S.A. for fiscal year ended 31 December 2022, as well as of its Subsidiaries.

II. Limited Reviews:

The fees for these services in 2022 totaled €244 thousand and include the Limited Review of the Individual Financial Statements of Endesa, S.A. and the Limited Review of the Consolidated Summary Interim Financial Statements of Endesa, S.A. and its Subsidiaries for the semi-annual period ended 30 June 2022.

III. Other Audit-Related Services:

The fees for Other Audit-Related Services in 2022 totaled €585 thousand and were broken down as follows:

- Reports on Agreed Procedures for regulatory, contractual, by-law and other requirements.
- Report on Agreed Procedures for information relating to the Internal Reporting Control System (IRCS).
- 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 2022, together with the quotations for such services, and reported to the Board of Directors, at its meetings held on 21 February 2022, 26 April 2022, 20 June 2022, 14 October 2022, 7 November 2022 and 20 December 2022.

IV. Other Non-Audit Services:

The Auditor did not provide any other services beyond those mentioned above in fiscal year 2022. The auditor did not provide tax or any other services beyond those mentioned above in fiscal year 2022.

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.

The Annual General Shareholders' Meeting of Endesa, S.A., held on 12 April 2019, appointed KPMG Auditores, S.L. as the Statutory Auditor for the Individual and Consolidated Annual Financial Statements of Endesa, S.A. for 2020-2022. For such purpose, in fiscal year 2020, Endesa, S.A. engaged KPMG Auditores, S.L. as the Statutory Auditor for the Annual Financial Statements of

Endesa, S.A. and for the Consolidated Annual Financial Statements of Endesa, S.A. and its Subsidiaries, for a period of three years.

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

The Annual General Shareholders' Meeting of Endesa, S.A., held on 29 April 2022 reappointed KPMG Auditores, S.L. as the Statutory Auditor for the Individual and Consolidated Annual Financial Statements of Endesa, S.A. for 2023-2025.

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 2022 was the third 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.

C) REPORT ON RELATED-PARTY TRANSACTIONS WITH SIGNIFICANT SHAREHOLDERS AND DIRECTORS, REPORTED BY THE AUDIT AND COMPLIANCE COMMITTEE TO THE BOARD OF DIRECTORS, DURING THE 2022 FINANCIAL YEAR



**AUDIT AND COMPLIANCE COMMITTEE REPORT TO THE BOARD OF
DIRECTORS OR GENERAL MEETING ON RELATED-PARTY
TRANSACTIONS CARRIED OUT WITH SIGNIFICANT
SHAREHOLDERS AND DIRECTORS DURING FISCAL YEAR 2022**

CONTENTS

- I. Introduction
- II. Applicable Regulatory Framework
- III. Information on Related-Party Transactions carried out with Directors, reported to the Board of Directors by the Audit Committee in fiscal year 2022
- IV. Information on related-party transactions with Endesa shareholders holding 10% or more of the voting rights or represented on the Company's Board of Directors, or with any other persons who must be considered related parties under International Accounting Standards, reported by the Audit Committee to the Board of Directors in fiscal year 2022
 - A. Transactions related to the Endesa Group's business
 - B. Transactions related to technical and management support services: provision of various intra-group services
 - C. Intra-Group financing transactions
- V. Publicity of Related-Party Transactions
- VI. Conclusions

I. Introduction:

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 or General Shareholders' Meeting in fiscal year 2022 to be published on the Company's website for the purposes of the 2023 Annual General Shareholders' Meeting.

II. Applicable Regulatory Framework

➤ In 2017, Directive (EU) 2017/828 of the European Parliament and of the Council of 17 May 2017 on the encouragement of long-term shareholder engagement, and amending Directive 2007/36/EC of the European Parliament and of the Council of 11 July 2007 on the exercise of certain rights of shareholders in listed companies, was enacted.

Directive 2007/36, Article 9 (4) of which contains certain rules on the transparency and approval of related-party transactions, was transposed into Spanish law by Law 5/2021 of 12 April, amending the consolidated Spanish Capital Corporations Law ("Ley de Sociedades de Capital"), as approved by Royal Legislative Decree 1/2010 of 2 July, and other financial rules, as regards the encouragement of long-term shareholder engagement in listed companies ("Law 5/2021" and the "LSC," respectively).

➤ The amendments to the Capital Corporations Law, with respect to the new rules on related-party transactions applicable to listed companies, took effect on 3 July 2021.

Article 529 *vicies* defines related-party transactions as transactions carried out by the company or its subsidiaries with directors, with shareholders holding 10% or more of the voting rights or represented on the company's board of directors, or with any other persons who must be considered related parties under International Accounting Standards, as adopted in accordance with Regulation (EC) 1606/2002 of the European Parliament and of the Council of 19 July 2002 on the application of international accounting standards.

Article 529 *duovicies* sets forth the rules for approving related-party transactions, indicating, *inter alia*, that the approval of the related-party transaction by the General Meeting or the Board must be the subject of a prior report by the audit committee. In its report, the committee shall evaluate if the transaction is fair and reasonable from the standpoint of the company and, where applicable, of the shareholders other than the related party, and indicate the assumptions on which the assessment is based and the methods used. The affected directors may not take part in preparing the report.

With respect to the publication of related-party transactions, in addition to what is stated in Recommendation 6 of the Corporate Governance Code for Listed Companies, Article 529 *unvicies* sets forth that listed companies must publicly announce (on their website), and report to the CNMV for public dissemination, related-party transactions that reach or exceed the following thresholds: (a) 5% of total assets, or (b) 2.5% of annual turnover, no later than at the moment of the execution of the transactions. The announcement must be accompanied by the audit committee report which, at a minimum, shall indicate the nature and circumstances of the transaction and the related consideration and include all

information required to evidence that the transaction is fair and reasonable from the standpoint of the company and of the shareholders who are not related parties.

➤ Endesa has developed its own internal regulatory framework on related-party transactions, which includes, *inter alia*, a Related-Party Transaction Regulations approved by the Board of Directors, as well as a Related-Party Transaction Operating Procedure approved by the Committee, implementing the guidelines set forth in the Regulations and defining the proceedings, functions and responsibilities relating to the general rules on requests for and the approval, publication and monitoring of related-party transactions. These regulations, as well as the applicable laws, have been applied in each of the related-party transactions reported by this Committee.

In accordance with Endesa's internal regulations, for the preparation of the report on each related-party transaction, the Audit and Compliance Committee will generally require, prior to issuing its report, the assessment of the related-party transaction by an independent expert, who in turn, in his analysis and assessment process, shall reach a conclusion on the transaction's fairness and reasonability from the standpoint of Endesa and, if applicable, of the shareholders other than the related party. The Audit and Compliance Committee may also require any other independent external advice that it considers appropriate in order to fulfill its duty. In addition, the Audit and Compliance Committee, in order to issue its report, shall assess and analyze the opinion issued by the General Management of Endesa requiring the execution of the related-party transaction on the transaction's fairness and reasonability, from the standpoint of Endesa and, if applicable, of the shareholders other than the related party.

Moreover, ENDESA completes its regulatory framework on related-party transactions with the following texts:

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 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.

Operating Instructions on Technical Service and Management Support: 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.

Global Corporate Governance Guidelines: ENEL Group, with the participation of ENDESA, following international corporate governance best 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".

➤ Lastly, we must refer to the guidelines issued by the Spanish National Securities Market Commission on 15 November 2021: "Questions and answers on the rules for reporting related-party transactions regulated by Chapter VII bis of Title XIV of the Capital Corporations Law", which spell out, *inter alia*, the economic-valuation criteria to be followed with respect to related-party transactions.

III. Information on Related-Party Transactions carried out with Directors, reported to the Board of Directors by the Audit Committee in fiscal year 2022

During fiscal year 2022, Endesa's Audit and Compliance Committee did not report any significant transactions between the Endesa Group and the Company's Directors.

IV. Information on related-party transactions with Endesa shareholders holding 10% or more of the voting rights or represented on the Company's Board of Directors, or with any other persons who must be considered related parties under International Accounting Standards, reported by the Audit Committee to the Board of Directors in fiscal year 2022.

ENDESA, S.A. ("ENDESA"), a Spanish listed company, is indirectly held by the Italian listed company ENEL, S.p.A. ("ENEL"), which owns a majority interest in the share capital of ENDESA, S.A. through its subsidiary ENEL Iberia, S.R.L., thus making ENEL, S.p.A. its controlling shareholder.

In general, transactions between Endesa Group companies¹ and Enel Group companies are considered related-party transactions under Article 529 vices of the Capital Corporations Law, which defines related-party transactions as any transaction carried out by the company or its subsidiaries with shareholders holding 10% or more of the voting rights, or with any other persons who must be considered related parties under the International Accounting Standards.

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.

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

- A. Transactions related to the Endesa Group's business
- B. Transactions related to business and management support services (provision of various intra-group services)

¹ The term "Endesa Group" refers to Endesa, S.A. and its subsidiaries, as defined in Article 42 of the Spanish Commercial Code. Nevertheless, the Endesa Group is part of the corporate perimeter of the Enel Group.

C. Intra-Group financing transactions

The related-party transactions reported on by the Audit and Compliance Committee in fiscal year 2022 between the Endesa Group and the Enel Group are detailed below.

A. Transactions related to the Endesa Group's business:

Logistics and Energy Management: This includes the activity carried out in the electricity and commodities supply markets as well as their transport facilities and port infrastructures associated to company assets at source. This includes acquisition, transport and trading in different electricity and fuel markets, such as coal, gas, oil derivatives, or emission rights in organized and OTC markets, including any financial instruments that may be convenient for such purpose.

The Audit and Compliance Committee reported in fiscal year 2022 on the following related-party transactions in the area of Logistics and Energy Management:

- **Renewal of the Joint Management Agreement for Methane Tankers and of the supply contracts for liquefied natural gas (LNG) from United States between Endesa Energía, S.A.U. and Enel Global Trading S.p.A.**

Joint management of vessels: the Joint Management Agreement on vessels allows Endesa and Enel to use the vessels of either of the two companies that are best positioned, in order to minimize the cost of each trip. The Agreement also establishes an operations model with objective, mutual and balanced rules and guarantees that can be subsequently verified by independent experts.

With respect to the Joint Management of vessels, the Committee reported in fiscal year 2022 on three related-party transactions. Two transactions with respect to the agreement for fiscal year 2022, in the amount of €110 million (the first one, relating to the renewal of the agreement for fiscal year 2022, in the amount of €60 million, and the second one, relating to an extension of the said agreement in the amount of €55 million); and a third transaction also reported by the Committee with respect to the renewal for 2023, in the amount of €155 million.

The members of the Audit and Compliance Committee, except for the Shareholder-Appointed Director, have participated and agreed on the content of each of these reports, concluding that each of these transactions is fair and reasonable from the standpoint of Endesa and of the shareholders who are not related parties. In preparing the reports, the Committee took into account the relevant reports issued by PwC which, as the independent expert, concluded that each of the transactions was fair and reasonable from the standpoint of Endesa and of the shareholders who are not related parties. The first transaction was approved by the Board of Directors, and the second and third by the Extraordinary General Shareholders' Meeting.

Joint management of LNG contracts: The agreement for the joint management of the LNG contracts was intended to optimize resources by conducting activities such as annual contract planning and to take advantage of operations opportunities. The possibility of conducting intra-month physical LNG swaps at the same price is provided for (this does not entail transferring money between Endesa and Enel).

With respect to this agreement, the Committee has reported on the following purchases of liquefied natural gas (LNG) between Enel Global Trading Spa and Endesa Energía, S.A.U. within the framework of the "Joint Management Agreement":

- In May 2022, the Committee reported the purchase of LNG in a maximum volume of 3 TWh for 2022 and 2023, between Endesa Energía, S.A. and Enel Global Trading SpA for an amount of €269 million.
- In October 2022, the Committee reported the purchase of LNG for 2023, during 2023, in a maximum volume of 2 TWh, for an amount of €290 million.

The members of the Audit and Compliance Committee, except for the Shareholder-Appointed Director, have participated and agreed on the content of each of these reports, concluding that each of these transactions is fair and reasonable from the standpoint of Endesa and of the shareholders who are not related parties. In preparing the reports, the Committee took into account the relevant reports issued by PwC which, as the independent expert, concluded that each of the transactions was fair and reasonable from the standpoint of Endesa and of the shareholders who are not related parties. The first transaction was approved by the Board of Directors, and the second by the Extraordinary General Shareholders' Meeting.

- Acquisition of liquefied natural gas tankers from Enel Generación Chile by Endesa Energía. The Audit and Compliance Committee reported on the following transactions in fiscal year 2022:

- Acquisition of a natural gas tanker from Enel Generación Chile, S.A. by Endesa Energía, S.A. to cover expected domestic demand for gas in 2023, for an amount of €75 million. This amount could vary depending on the TTF price.
- Acquisition of two natural gas tankers from Enel Generación Chile, S.A. by Endesa Energía, S.A. to cover expected domestic demand in 2024. The total amount for the two tankers is €121 million.

The members of the Audit and Compliance Committee, except for the Shareholder-Appointed Director, have participated and agreed on the content of each of these reports, concluding that each of these transactions is fair and reasonable from the standpoint of Endesa and of the shareholders who are not related parties. In preparing the reports, the Committee took into account the relevant reports issued by PwC which, as the independent expert, concluded that each of the transactions was fair and reasonable from the standpoint of Endesa and of the shareholders who are not related parties. The first transaction was approved by the Board of Directors, and the second by the Extraordinary General Shareholders' Meeting.

- Sale of LNG to Sociedad GNL Chile, S.A. by Endesa Energía, S.A.U. The Audit and Compliance Committee reported on the ratification of the sale of an LNG tanker in June 2021, in a volume of 1 TWh, by Endesa Energía S.A. to GNL Chile S.A., for an amount of €27 M.

The members of the Audit and Compliance Committee, except for the Shareholder-Appointed Director, have participated and agreed on the content of this report, concluding that this transaction is fair and reasonable from the standpoint of Endesa and of the shareholders who are not related parties. In preparing the report, the Committee took into account the report prepared by PwC which, as the independent expert, concluded that the transaction was fair and reasonable from the standpoint of Endesa and of the shareholders who are not related parties. This transaction was authorized by the Board of Directors.

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

Transactions related to technical and management support services:

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

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

The Audit and Compliance Committee reported in fiscal year 2022 on the following related-party transactions in the area of technical and management support services:

- Proposal for renewal for fiscal years 2022 and 2023 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 €138.31 million in 2022 and €137.75 million in 2023, as follows:
 - Management, Procurement and ICT Support Services, provided by Enel, SpA to Endesa, S.A. and its subsidiaries: €23.20 million for fiscal year 2022 and €19.71 million for fiscal year 2023.
 - Technical, Procurement and ICT Services for the Thermal Generation Business, provided by Enel Global Thermal Generation SrL to Endesa Generación, S.A. and its subsidiaries: €19.12 million for fiscal year 2022 and €18.93 million for fiscal year 2023.
 - Technical, Procurement and ICT Services for the Distribution Business, provided by Enel Global Infrastructure & Networks SrL in 2022 and by Enel Grids SrL in 2023 to Endesa Red, S.A. and its subsidiaries: €25.44 million for fiscal year 2022 and €31.21 million for fiscal year 2023.
 - Technical, Procurement and ICT Services for the Renewable Energy Generation Business, provided by Enel Green Power SpA to Enel Green Power España S.L.: €23.86 million for fiscal year 2022 and €22.07 million for fiscal year 2023.
 - Technical, Procurement and ICT Services for the Marketing Business, provided by Enel Global Services to Endesa Energía S.A. and its subsidiaries: €20.82 million for fiscal year 2022 and €21.92 million for fiscal year 2023.
 - Technical and ICT Services for the Endesa-X Business, provided by Enel X SrL to Endesa X Soluciones S.A.: €12.08 million for fiscal year 2022 and €10.96 million for fiscal year 2023.
 - Technical and ICT Services for the Energy Management Business, provided by Enel Global Trading, SpA to Endesa, S.A.: €13.79 million for fiscal year 2022 and €12.95 million for fiscal year 2023
- Proposed renewal for fiscal years 2022 and 2023 of the Technical Service agreements for the Energy Management Business, provided by Endesa, S.A. to Enel Global Trading SpA, totaling €0.90 million in 2022 and €1.04 million in 2023.

The members of the Audit and Compliance Committee, except for the Shareholder-Appointed Director, have participated and agreed on the content of each of these reports for 2022 and 2023, concluding that each of these transactions is fair and reasonable from the standpoint of Endesa and of the shareholders who are not

related parties. In preparing the report, the Committee took into account the reports from Ernst & Young Abogados, S.L.P. which, as the independent expert, concluded that the transactions were fair and reasonable from the standpoint of Endesa and of the shareholders who are not related parties. These transactions were authorized by the Board of Directors.

Additionally, it should be noted that the Audit Department of Endesa and Endesa y Ernst & Young Abogados, S.L.P., in its capacity as independent expert, have analyzed the supporting documentation for the technical and management support services provided by the Enel Group during 2021 and, likewise, EY 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.

- Authorization of the re-invoicing of the costs of expatriate personnel originating through the current contracts ("Recharge Agreements for Personnel Secondment"), entered into between Endesa, S.A. or its controlled companies and companies of the Enel Group, until the end of each of these contracts, for an updated amount of the existing contracts, which amounts to an approximate total of €14.55 M.

The members of the Audit and Compliance Committee, except for the Shareholder-Appointed Director, have participated and agreed on the content of the report on this transaction, concluding that this transaction is fair and reasonable from the standpoint of Endesa and of the shareholders who are not related parties. In preparing the report, the Committee took into account the report from Ernst & Young Abogados, S.L.P. which, as the independent expert, concluded that the transaction was fair and reasonable from the standpoint of Endesa and of the shareholders who are not related parties. This transaction was authorized by the Board of Directors.

- Renewal by Endesa of the insurance mandate, a contractual instrument by which Enel may contract on behalf of Endesa part of the insurance policies for Endesa and its subsidiaries, and as a second transaction, stemming from the first, the contracting of technical and management support services with the Enel Group for 2023, with respect to the services associated with the insurance activity, for an amount, for both contracts, of €466,000. Synergies are obtained in the insurance market through the contracting by Enel S.p.A. of global policies covering Endesa as an insured beneficiary.

The members of the Audit and Compliance Committee, except for the Shareholder-Appointed Director, have participated and agreed on the content of the report on this transaction, concluding that this transaction is fair and reasonable from the standpoint of Endesa and of the shareholders who are not related parties. In preparing the report, the Committee took into account the report from Ernst & Young Abogados, S.L.P. which, as the independent expert, concluded that the transaction was fair and reasonable from the standpoint of Endesa and of the shareholders who are not related parties. This transaction was authorized by the Board of Directors.

Other Technical and Engineering Services

- Sale of 2,500 Homix Home devices, a smart home ecosystem designed to manage energy efficiency, by Endesa X Servicios SL to Enel X Italia S.r.l., for a total amount of €0.12 million.
- Renewal of the contract of Endesa Energía (EE) and Endesa Operaciones y Servicios Comerciales (EOSC) with Codensa for the services relating to the activity of telephone service and telesales on the offshore platforms located in Colombia and Peru for a three-year period and for an estimated amount of €1.52 million.
- Provision, by Endesa Ingeniería to Enel Transmisión Chile, of engineering and technical support services for the purchase of equipment and services, as well as the project management and commissioning of a new 110/12 kv substation (Providencia Substation), a new 110 kv double-circuit line (Vitacura-Providencia), and the extension of the existing 110kv Vitacura substation, for a maximum total amount of €1.46 million.
- Contract between Enel Green Power España S.L and Enel Green Power SpA on the engineering-support services for the projects to optimize five hydroelectricity plants of Endesa Generación S.A., for a maximum amount of €7 million.
- Sale of 51% of Endesa X's stake in Endesa Movilidad Eléctrica to Enel X Way (a wholly owned subsidiary of Enel S.p.A) for an amount of €122.4 million and the service contracts arising from the transaction, for a five-year period and an amount of €447.5 million.
- Provision of engineering services by Enel Green Power SpA (EGP SpA) to Green Power España S.L (EGPE) with respect to the process of building solar and wind farms with a total power of 1,902 MW and 439 MW, respectively, for a maximum amount of €20.04 million.
- Provision of engineering services by Enel Green Power SpA (EGP SpA) to Green Power España S.L (EGPE) with respect to the process of optimizing a hydroelectricity plant, for a maximum amount of €0.74 million
- Provision of engineering services by Enel Global Thermal Generation (EGTG) to Endesa Generación, Gas y Electricidad Generación (GESA), and to Unión Eléctrica de Canarias Generación (UNELCO), with respect to the engineering support and construction activities for: (i) the decommissioning of thermal plants, (ii) the closing of thermal plants, (iii) the replacement of diesel engines and ancillary equipment of thermal plants, and (iv) the modification of facilities through the conversion of existing generators, for a maximum amount of €1.95 million.
- License contract for the use of the Grid Blue Sky platform, between Endesa Distribución Redes Digitales S.L. and Enel Global Infrastructure and Networks S.R.L. for the period from 10 May 2022 to 31 December 2030, for an amount of €144.4 million.
- Contract for logistics services to be provided by Endesa Generación to Enel Produzione at the ports of Carboneras and Ferrol, from 1 July 2022 to 30 June 2023, for a maximum amount of €5.1 million (according to the estimated volume and final time of permanence).

- Contract between EDISTRIBUCIÓN Redes Digitales, S.L.U. and Gridspertise S.R.L. (a wholly owned subsidiary of Enel, S.p.A., through its subsidiary Enel Global Infrastructure and Networks) for supplying 12,140 Low Voltage Managers (LVMs), 1,000 Bird 3.0 sensors and 170 Quantum Edge Devices (QEDs), for a total maximum amount of €3.63 million.
- Renewal of the contract for the provision of wind turbine vibration analysis services by Enel Green Power España S.L. to Enel Green Power S.P.A. for a five-year term and an estimated total amount of €5 million.

The members of the Audit and Compliance Committee, except for the Shareholder-Appointed Director, have participated and agreed on the content of the reports on these transactions, concluding that the transactions were fair and reasonable from the standpoint of Endesa and of the shareholders who are not related parties. In preparing the report, the Committee took into account the reports from PwC and Ernst & Young Abogados, S.L.P. which, as independent experts, concluded in each case that the transactions were fair and reasonable from the standpoint of Endesa and of the shareholders who are not related parties. These transactions were authorized by the Board of Directors or, as the case may be, the Extraordinary General Shareholders' Meeting held in 2022.

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 on a general basis 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.

The Committee issued a report on the contracting of two credit facilities and a long-term loan between Endesa, S.A. and EFINV; the renewal of an intercompany account contract between Endesa Financiación Filiales and Enel Iberia; and the issue of a guarantee between Enel S.p.A. and Endesa Generación S.A.:

- Execution by Endesa, S.A. of a credit facility transaction with Enel Finance International N.V. for an amount of up to €700 M and a term of three years.
- Execution by Endesa, S.A. of a long-term loan with Enel Finance International N.V. for an amount of up to €1,650 M and a term of five years.
- Renewal of the Intercompany Current Account contract between Endesa Financiación Filiales and Enel Iberia, for a five-year period, as well as the amendment of the limit thereof from €150 million to €25 million.
- Execution of a 12-month credit facility, granted by Enel Finance International N.V. (a subsidiary of the group headed by Enel, S.p.A.) to Endesa, S.A. for a maximum amount of €3 billion.

- Execution of the issue of a guarantee by Enel S.pA on certain obligations of Endesa Generación, S.A. (counter-guaranteed by Endesa, S.A.) for an amount of up to €2 billion, with a term expiring on 30 June 2023.

The members of the Audit and Compliance Committee, except for the Shareholder-Appointed Director, have participated and agreed on the content of these reports, concluding that these transactions were fair and reasonable from the standpoint of Endesa and of the shareholders who are not related parties. In preparing the report, the Committee took into account the reports from Ernst & Young Abogados, S.L.P. which, as the independent expert, concluded that the aforesaid transactions were fair and reasonable from the standpoint of Endesa and of the shareholders who are not related parties. The first three transactions were approved by the Board of Directors, and the latter two by the Extraordinary General Shareholders' Meeting held in 2022.

V. Publicity of Related-Party Transactions

In accordance with the Capital Corporations Law, Endesa must announce publicly, both on its own website and on the website of the Spanish Securities Market Commission (CNMV), all related-party transactions when the total amount thereof, whether a single transaction or the cumulative sum of transactions with a single counterparty in the preceding 12 months, reaches or exceeds 5% of total assets or 2.5% of annual turnover, as indicated in the most recent consolidated annual financial statements approved by Endesa's General Shareholders' Meeting.

Under current law, the announcement to be published must be accompanied by a report prepared by Endesa's Audit and Compliance Committee assessing whether the transaction is fair and reasonable from the standpoint of Endesa and of the shareholders other than the related party. The announcement must be inserted in an easily accessible place on the Company's website www.endesa.com, and must be simultaneously reported to the CNMV through the "other relevant information" procedure.

In accordance with Endesa's Related-Party Transaction Procedure, the Audit and Compliance Committee regularly monitors the cumulative amount of the related-party transactions carried out in the preceding twelve months with each single counterparty, in order to ensure and report to the Board of Directors, when so required, on the publication of the related-party transactions, on the website of Endesa and that of the CNMV, because the individual amount or cumulative amount with a single counterparty, in the preceding twelve months, has reached 5% of total asset items or 2.5% of the annual turnover as per the most recent consolidated annual financial statements approved by Endesa's General Shareholders' Meeting.

Hence, it should be noted that in fiscal year 2022, Endesa issued four public communications, in which the relevant reports issued by the Audit and Compliance Committee were included.

VI. Conclusions:

All the transactions referred to in this report were approved, after receiving a favorable report from the Audit and Compliance Committee confirming the fairness and reasonability of the transaction from the standpoint of Endesa and, where applicable, of the shareholders other than the related party, by the Company's Board of Directors

unanimously or by the 2022 Extraordinary General Shareholders' Meeting, with a favorable vote of at least 99.950%.

Each of the reports issued by the Audit and Compliance Committee relied on at least one report from one independent third-party who assessed the transaction and concluded that it was fair and reasonable from the standpoint of Endesa and, where applicable, of the shareholders other than the related party.

As of the date of this report, the Audit and Compliance 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. In accordance with Article 529 duovicies, paragraph 3, of the Capital Corporations Law, the director Alberto de Paoli, who is a shareholder-appointed director and representative of Enel, was not involved in the preparation of the reports issued by the Audit and Compliance Committee during fiscal year 2022.

However, and in accordance with Article 529 duovicies, paragraph 2, at the Board of Directors' meetings, the directors representing of Enel took part in the debate and voting on each of the resolutions in question.

By request of the Audit and Compliance Committee, Endesa's Audit Department has verified that all related-party transactions have been reported upon by the Audit and Compliance Committee and, as the case may be, approved by the Board of Directors or the General Shareholders' Meeting, 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 2022



AUDIT AND COMPLIANCE COMMITTEE REPORT ON
THE OUTCOME OF THE STATUTORY AUDIT FOR
FISCAL YEAR 2022

AUDIT AND COMPLIANCE COMMITTEE REPORT ON THE OUTCOME OF THE STATUTORY AUDIT FOR FISCAL YEAR 2022

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, S.A. in its Audit and Compliance Committee Regulations.

In this regard, Endesa, S.A.'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 28 April 2023, under the following terms:

STATUTORY AUDIT RESULTS FOR FISCAL YEAR 2022

- A.** 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 2022, 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, at the meeting of the Audit and Compliance Committee held on 22 February 2023, the General Manager of Administration, Finance and Control: (i) presented the individual and consolidated Annual Financial Statements and proposed application of earnings for fiscal year 2022 to the Audit and Compliance Committee for reporting thereby; (ii) explained the highlights for the year, the key economic-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, S.A. for fiscal year ending 31 December 2022 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 2022, 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 2022– 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 2022, as well as of its consolidated profits and cash flows for fiscal year ended 31 December 2022, 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 2022, income statement, statement of changes in net equity, cash-flow statement and the notes to the financial statements for fiscal year ending 31 December

2022– 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 2022, as well as of its consolidated profits and cash flows for fiscal year ended 31 December 2022, in accordance with the applicable standard financial reporting framework and, in particular, with the accounting principles and criteria contained therein.

In accordance with Article 11 of Regulation (EU) 537/2014, KPMG Auditores, S.L. 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:
 - ✓ Audit focus areas and key audit issues.
 - ✓ Materiality and Scope of the Group audit.
 - ✓ 2022/2023 Audit Schedule.
 - ✓ Two-way communication with the Audit and Compliance Committee and the Management.
 - ✓ Lead auditors in charge.
 - ✓ Other communications
- Audit Conclusions:
 - ✓ Audit methodology and valuation methods.
 - ✓ Audit Focus Areas: key audit issues and other significant audit matters.
 - ✓ Main accounting estimates.
 - ✓ Participation of the Group auditor in the Auditor's work on significant items.
 - ✓ Consolidation scope.
 - ✓ 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 (European Single Electronic Format) Regulation.

Thus, the auditors presented their draft individual and consolidated audit reports to the Audit and Compliance Committee on 22 February 2023. 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 22 February 2023, 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 Corporate Reporting (IRCS).

- B.** Additionally, in accordance with Article 49 of the Commercial Code, KPMG Asesores, S.L. verified, with limited assurance, that the 2022 Non-Financial Information and Sustainability Statement of Endesa, S.A. and its Subsidiaries for the fiscal year ended 31 December 2022, prepared in accordance with the Sustainability Reporting Standards (hereinafter "GRI Standards") and with the "Electric Utilities" Sector Supplement of Global Reporting Initiative (GRI), concluding that no aspects were revealed that would cause the auditor to believe that: (a) the 2022 Non-Financial Information and Sustainability Statement of Endesa, S.A. and its Subsidiaries for the fiscal year ended 31 December 2022 was not prepared, in all material respects, in accordance with the GRI standards and with the "Electric Utilities" Sector Supplement of Global Reporting Initiative, as laid out for each topic in the "GRI

content index" table of the Report; (b) the 2022 Non-Financial Information and Sustainability Statement of Endesa S.A. and its Subsidiaries for fiscal year ended 31 December 2022, included in the Report, was not prepared, in all material respects, in accordance with the provisions of current commercial regulations in force and following the criteria set forth in the Global Reporting Initiative (GRI) standards, in accordance with the provisions for each topic laid out in the "table of contents required by Law 11/2018" of the Report.

C. As regards monitoring the internal reporting Control systems (IRCS):

- i. KPMG Auditores, S.L. carried out certain procedures relating to Endesa, S.A.'s Internal Reporting Control System, included in the 2022 Annual Corporate Governance Report, and concluded based on the procedures for information relating to Endesa's Internal Reporting Control System (IRCS) that no inconsistencies or incidents were revealed that might affect such system
- ii. 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 Internal Reporting Control System (IRCS), concluding that, based on the Report issued by the internal control department, during fiscal year 2022, the Internal Reporting Control System has been sufficiently trustworthy and reliable and that it has been in effective operation to meet the Company's control objectives.
- iii. The Internal Audit Department issued a Report on the trustworthiness and reliability of the Internal Reporting Control System (IRCS), based on the results of the Audit Plan engagements performed on audited procedures impacting the financial statements or containing relevant information for the Non-Financial Information and Sustainability Statement (NFISS) and on the monitoring of the engagement carried out by the independent expert (in defining the scope and remit of the review, analyzing the test results and assessing the incidents detected). The report concluded that at the close of fiscal year 2022 Endesa's IRCS is adequate and its operation is effective.
- iv. The independent expert Ernst & Young, S.L. issued a Report addressing the specific review requested by the Audit and Compliance Committee on the trustworthiness and reliability of Endesa's Internal Reporting Control System (IRCS) during fiscal year 2022. Ernst & Young, S.L.'s performance Report concluded that *"the assessment of the design, implementation and operation thereof, with respect to Financial and Non-Financial Reporting as of 31 December 2022, is satisfactory, and no deficiency affecting system's overall performance has been found."* In addition, in its report, Ernst & Young, S.L. included a section on *"new developments in good practices and recommendations and opportunities for improvement,"* which does not reveal any concern for the System.

D. The tasks performed by the Audit and Compliance Committee in fiscal year 2022 in relation to this process included, *inter alia*:

- i. 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 2022 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.

- ii. Monitored the effectiveness of the Endesa's Internal Reporting Control System (IRCS), in terms of both financial and non-financial information, based on the above-mentioned reports.
- iii. 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 2023, 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 (Ley de Sociedades de Capital - 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 2022.

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 firm. Furthermore, the External Auditor presented a letter expressing its independent status.

- Approved and reported to the Board of Directors on the provision of additional services by the audit firm KPMG Auditores, S.L. and its Network, including the relevant budgets therefor, at its meetings of 21 February 2022, 26 April 2022; 20 June 2022, 14 October 2022, 7 November 2022 and 20 December 2022.
- Endesa requires that the External Auditor provide 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, in which the Auditor confirms that, to the best of its knowledge, the services comply with relevant independence standards.

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.

- The External Auditor also confirmed that it has complied with the applicable independence requirements, in accordance with the provisions of the Statutory Auditing Law and Regulation (EU) 537/2014, of 16 April.

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 S.p.A. 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 S.p.A., 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 S.p.A. 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 S.p.A. 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 S.p.A. 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 increase of the fees of KPMG Auditores, S.L. and its Network for the provision of statutory audit services for Endesa, S.A. individual and consolidated Annual Financial Statements.
- iv. In May 2022, the Statutory Auditor reported to the Committee on the 2022 activity plan, the scope of its audit work and the reports to be delivered, as well as the key/material audit issues affecting Endesa, S.A. and its Group. In November 2022, the Auditor reported on the audit plan and strategy for the year ended 31 December 2022; on the schedule and main activities it had been performing throughout the year; on the concept and scope of the materiality criterion; on the scope of the most significant work and risks; and on the meetings held with the management team and management bodies.

- v. Lastly, 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 May 2022, 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 practices 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. The Committee concluded that the services provided by KPMG Auditores, S.L. during fiscal year 2022 in auditing the Annual Financial Statements of Endesa, S.A., both individual and consolidated, were satisfactory, having professionally complied with its legal obligations and with the service agreements entered into between the parties during that year.

II. APPOINTMENTS AND COMPENSATION COMMITTEE

A) REPORT ON THE ACTIVITIES OF THE APPOINTMENTS AND
REMUNERATION COMMITTEE FOR THE 2022 FINANCIAL YEAR



**APPOINTMENTS AND COMPENSATION
COMMITTEE REPORT FOR FISCAL YEAR 2022**

CONTENTS

- 1. REGULATORY FRAMEWORK AND DUTIES OF THE COMMITTEE**
- 2. COMPOSITION**
- 3. COMMITTEE DUTIES**
- 4. COMMITTEE PROCEEDINGS AND MEETINGS**
- 5. WORK UNDERTAKEN DURING FISCAL YEAR 2022**
 - 5.1. Responsibilities Relating to Appointments**
 - Composition of the Board
 - Directors
 - Composition of the Committees
 - Senior Management
 - 5.2. Responsibilities Relating to Compensation**
 - Compensation of Executive Directors
 - Endesa's Annual Report on Directors' Compensation (2020)
 - Directors' Compensation Policy
 - Compensation Verification
 - Compensation of Senior Management
 - 5.3. Responsibilities Relating to Director Training and/or Knowledge Update Programs**
 - 5.4. Candidate Director Selection and Diversity Policy:**
 - Report on Compliance with Endesa's Candidate Director Selection Policy
 - 5.5. Appointments and Compensation Committee Report**
- 6. ASSESSMENT OF THE APPOINTMENTS AND COMPENSATION COMMITTEE AND OF THE BOARD OF DIRECTORS**
- 7. AGENDA AND MEETING SCHEDULE**
- 8. COMPLIANCE WITH PRACTICAL GUIDELINES**
- 9. CONCLUSIONS**
- 10. 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 composition of the Appointments and Compensation Committee as of 31 December 2022 is:

Position	Members	Date First Appointment	Date Last Appointment	Category
Chairman	Mr. Ignacio Garralda Ruiz de Velasco	07/05/2015	01/09/2020 01/09/2020*	External - Independent
Director	Ms. Eugenia Bieto Caubet	01/09/2020	01/09/2020	External - Independent
Director	Mr. Antonio Cammisecra	01/09/2020	01/09/2020	External Shareholder-Appointed ⁽¹⁾
Director	Ms. Pilar González de Frutos	01/09/2020	01/09/2020	External - Independent
Director	Mr. Francisco de Lacerda	07/05/2015	05/05/2021	External - Independent
Secretary	Mr. Borja Acha Besga	01/08/2015		

⁽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 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 2022.
- ✓ Age: the average age on the Committee is 64.6, with ages ranging from 52 to 72.
- ✓ Seniority: average seniority of the Committee members for 2021 is 4.8 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.
- ✓ 40% 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.

DIRECTORS	SKILLS AND COMPETENCIES								DIVERSITY			
	Finance & Risk	Engineering	Legal	Management	Strategy	ICT	HR	Sustainability and Governance	Tenure (years)	Nationality	Gender	Age
Mr. Ignacio Garralda Ruiz de Velasco	✓		✓	✓	✓		✓	✓	7.8	ESP	M	71
Ms. Maria Eugenia Bieto Caubet	✓			✓	✓		✓	✓	2.7	ESP	F	72
Mr. Antonio Cammisecra	✓	✓		✓	✓				3.3	ITA	M	52
Mr. Francisco de Lacerda	✓			✓	✓		✓	✓	7.8 ⁽¹⁾	PRT	M	62
Ms. Pilar Gonzalez de Frutos	✓		✓	✓	✓				2.7	ESP	F	66

⁽¹⁾ Mr. Lacerda was a Committee member from 7 May 2015 until July 2020, and he was reappointed as a Committee member in May 2021.

During the assessment process of the Board of Directors and its Committees carried out with the assistance of PWC, the latter remarked that *not only is the Board compliant with certain gender diversity ratios, but it also has complementary profiles of an exceptional caliber, possessing considerable experience of the business and of the wider industry, and with financial, managerial, academic, legal and other backgrounds. The independent consultant also noted that the Board's international experience is sufficient and adequate in view of the markets in which the Company currently operates.*

Endesa believes that the Directors play a pivotal role in promoting good governance at the Company, and the composition of the Board of Directors and its Committees is a decisive factor in that sense, enhancing the decision-making process and making the Directors more adept and effective at promoting the corporate interest. In this regard, Director knowledge and expertise are increasingly becoming a key asset for the Company, for the proper operation of the Board and the Committees, and for stakeholders.

However, Endesa considers the regular updating of the Directors' knowledge to be essential in ensuring that the Directors have an outstanding grasp of innovative, technical and complex matters and this training is approved by the Appointments and Compensation Committee each year. It is also considered immensely important for Board members and Committee members alike to be able to rely on the advice and support of independent third-party experts on any aspects that they deem appropriate. For this reason, both the Board of Directors and the Committees of Endesa have budgets set aside so that their members can seek and obtain any advice they consider appropriate in each case.

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, 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 seven times during fiscal year 2022. The average in-person attendance at the meetings held was 91%.

Individual attendance by the Appointments and Compensation Committee members in fiscal year 2022 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.

APPOINTMENTS AND COMPENSATION COMMITTEE			
Directors	In-Person Attendance ⁽¹⁾	Proxies	Total Attendance
Mr. Ignacio Garralda Ruíz de Velasco	7/7	-	7/7
Ms. Eugenia Bieto Caubet	6/7	1/1	7/7
Mr. Antonio Cammisecra	5/7	0/2	5/7
Ms. Pilar González de Frutos	7/7		7/7
Mr. Francisco de Lacerda	7/7	-	7/7

⁽¹⁾ In calculating "In-Person Attendance" at Board and Committee meetings, both physical attendance and remote attendance using a method that allows for direct interaction by the director shall be taken into account. For such purposes, attendance by proxy, even if the proxyholder is granted specific instructions, shall not be considered in-person attendance, in accordance with the criteria set forth in Circular 3/2021 of the Spanish Securities Market Commission, which provides forms for the annual corporate governance reports for listed companies.

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.

External Participation in Appointments and Compensation Committee Meetings (2022):

The Chairman of the Appointments and Compensation Committee requested the occasional participation of the General Manager of People and Organization, who attended seven meetings.

Attendance by an Executive does not mean that they attended for the duration of the Committee meeting in full; it only means that they attended for those agenda items for which they were invited.

5. WORK UNDERTAKEN DURING FISCAL YEAR 2022

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 2022 are as follows:

5.1. RESPONSIBILITIES RELATING TO APPOINTMENTS

Composition of the Board

The Committee analyzed the schedule for reappointment of directors, in order to take into account the need for gradual replacement of the Board, as well as diversity and seniority objectives, among others.

In fiscal year 2022, as a result of the conclusion of Ms. Patrizia Grieco's term of office as shareholder-appointed director and in order to fulfill the objective of Endesa's Candidate Director Selection Policy and Diversity Policy, by which the number of female Directors was to be at least 40% of the Board members by the end of 2022, the Committee proposed

setting the number of Board members at 12, and reported favorably on the appointment of Ms. Francesca Gostinelli, also proposing Ms. Cristina de Parias Halcón as a member of Endesa's Board of Directors.

Directors

In fiscal year 2022, the Appointments and Compensation Committee proposed to the Board of Directors or reported on, as the case may be, the following appointments and reappointments of Directors, all of which were approved by the 2022 Annual General Shareholders' Meeting:

- ✓ Reappointment as Executive Director of Mr. José Damián Bogas Gálvez.
- ✓ Reappointment as Shareholder-Appointed Director of Mr. Francesco Starace.
- ✓ Appointment as Shareholder-Appointed Director of Ms. Francesca Gostinelli.
- ✓ Appointment as Independent Director of Ms. Cristina de Parias Halcón

Additionally, the Committee reported on the appointment Mr. Bogas as the Company's Managing Director, following a proposal from the Chairman of the Board of Directors.

Composition of the Committees

As a result of the conclusion of Mr. Grieco's term of office as a member of the Sustainability and Governance Committee and the departure for personal reasons of Ms. Koplowitz as a member of the Audit and Compliance Committee and of the Sustainability and Governance Committee, the Committee proposed to the Board of Directors the following appointments:

- ✓ Appointment of Ms. Francesca Gostinelli as member of the Sustainability and Governance Committee.
- ✓ Appointment of Ms. Cristina de Parias Halcón as member of the Audit and Compliance Committee and member of the Sustainability and Governance Committee.

Senior Management

In December 2022, the Appointments and Compensation Committee, in response to a proposal from the Chief Executive Officer, reported favorably on the following appointments and removals in Endesa's senior management, effective 1 January 2023:

- ✓ Removal of Mr. Luca Passa as General Manager of Administration, Finance and Control, because of his voluntary resignation.
- ✓ Appointment of Mr. Marco Palermo as General Manager of Administration, Finance and Control.

5.2. RESPONSIBILITIES RELATING TO COMPENSATION

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

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 2021 targets and establishment of his new targets for 2022.

✓ 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 2022-2024 Strategic Incentive Program (LTI), prior to the proposal from the Board of Directors, approved by the Annual General Shareholders' Meeting of 29 April 2022. The Committee also reported favorably on the beneficiaries, Regulations, terms and conditions and structure of said Program.

In addition, the Committee reported to the Board on the results attained by the 2019-2021 Strategic Incentive Program (Loyalty Plan – LTI).

✓ The Committee unanimously agreed to propose to the Board, in accordance with the recent renewal of the position of Chief Executive Officer, updating the contract schedule as Chief Executive Officer with respect to the "Retirement Rules," revising the date (30 April 2022) on which the Retirement Benefit shall be payable.

Endesa's Annual Report on Directors' Compensation (2021)

The Appointments and Compensation Committee reported favorably to the Board of Directors on Endesa's Annual Report on Directors' Compensation (2021), for submission thereof to a binding vote of the General Shareholders' Meeting, who approved said Report with 97.3% of the share capital voting in favor.

Directors' Compensation Policy for 2022-2024

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 2022-2024 period, consistent with the 2021-2023 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.

In accordance with the Compensation Policy and Article 24 of the Regulations of the Appointments and Compensation Committee, the Committee reviewed the 2021-2023 Director Compensation Policy, with the Company's internal support as well as with external advice from Ernst & Young, which conducted a comparative analysis ("benchmark") on the compensation of Endesa's directors. The conclusions were published as a Schedule to the 2021 Annual Report on Directors' Compensation.

Compensation Verification

In February 2022, the Appointments and Compensation Committee, in collaboration with the Audit Department and following the Procedure approved by the Committee in December 2020, 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.

The Audit and Compliance Committee has verified, in collaboration with the Internal Audit Department and with the participation of the General Manager of People and Organization, that the information in the Annual Report on Directors' Compensation (2021) is consistent with the policies and criteria approved by the Board of Directors and that it accurately reflects reality.

As relates to the 2021 Short-Term Targets for Executive Directors, the Committee has verified the proposal for attainment of said targets, also in collaboration with the Audit Department, having reviewed said proposal and concluded that the Company's financial and management information for fiscal year 2021, as duly approved, support said proposal and that the degree of achievement was correctly determined.

As regards the proposed 2019-2021 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 Audit Department, having examined said proposal and concluded that the result thereof is supported by the Company's accounting and management information, and that the degree of achievement was correctly determined.

Compensation of Senior Management

As relates to Senior Management, the Committee reported favorably on the proposals raised by the Managing Director for compensation items for certain members of the Executive Management Committee for 2022.

5.3. RESPONSIBILITIES RELATING TO DIRECTOR TRAINING AND/OR KNOWLEDGE UPDATE PROGRAMS

In fiscal year 2022, in response to a proposal from the Committee, certain continuing training actions were carried out for the Directors, along with an Induction Program for members who joined the Board in 2022.

In addition, in December 2022, the Committee approved the Continuing Training Program for Directors in 2023.

5.4. CANDIDATE DIRECTOR SELECTION AND DIVERSITY POLICY OF ENDESA

Verification of Compliance with Endesa's Candidate Director Selection Policy

The Committee verified compliance with the Candidate Director Selection and Diversity Policy in 2022. It should be noted, among other things, that:

- ✓ The Appointments and Compensation Committee proposed or reported on the appointments and reappointments approved by the 2022 Annual General Meeting, having analyzed the composition of the Board and its Committees, as well as the skills and experiences of its current 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 and Diversity Policy.
- ✓ In accordance with the schedule for reappointment of Directors, the Committee received advice from the external consultant Egon Zehnder, which specializes in searching for and selecting candidates, in order for this firm to help the Committee in its responsibility for proposing the appointment of independent Directors, as well as that of reporting on the proposed appointment of the remaining Directors.

- ✓ The Committee proposed increasing the size of the Board to 12 members, in order to fulfill the objective of Endesa's Candidate Director Selection Policy, by which the number of female Directors was to be at least 40% of the Board members by the end of 2022.
- ✓ The appointments made on the Board's Committees were based on a prior analysis on the competencies required by said Committees, with an emphasis on diversity of knowledge, experience, age and gender.

In addition, the Committee was informed of the approval and publication of Directive (EU) 2022/2381 of the European Parliament and of the Council of 23 November 2022 on improving the gender balance among directors of listed companies and related measures.

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

MEMBERS	Board Officers	Date First Appointment	Date Last Appointment	Director Status	COMMITTEES
Mr. Juan Sánchez-Calero Guilarte	Chairman	12-Apr-19	12-Apr-19	Independent	CSCG
Mr. Francesco Starace	Vice Chairman	16-Jun-14	29-Apr-22	External Shareholder-Appointed ⁽¹⁾	-
Mr. José D. Bogas Gálvez	Managing Director	7-Oct-14	29-Apr-22	Executive	
Ms. María Eugenia Bieto Caubet	Director	5-May-20	5-May-20	Independent	CAC/CNR
Antonio Cammiseca	Director	27-Sep-19	5-May-20	External Shareholder-Appointed ⁽¹⁾	-
Ignacio Garralda Ruíz de Velasco	Director	27-Apr-15	12-Apr-19	Independent	CNR/CSGC
Ms. Pilar Gonzalez de Frutos	Director	5-May-20	5-May-20	Independent	CAC/CNR
Ms. Francesca Gostinelli	Director	29-Apr-22	29-Apr-22	External Shareholder-Appointed ⁽¹⁾	-
Francisco de Lacerda	Director	27-Apr-15	12-Apr-19	Independent	CAC/CNR
Ms. Alicia Koplowitz y Romero de Juseu	Director	5-May-20	5-May-20	Independent	
Alberto de Paoli	Director	4-Nov-14	12-Apr-19	External Shareholder-Appointed ⁽¹⁾	-
Ms. Cristina de Parias Halcón	Director	29-Apr-22	29-Apr-22	Independent	CAC/CSGC
Borja Acha Besga	Non-Director Secretary				

⁽¹⁾ Represents Enel

Directors	Number	Percentage
Executive	1	8.33%
External/Shareholder-Appointed	4	33.33%
External/Independent	7	58.33%
Women	5	41.67%

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:

DIRECTORS													
	Finance & Risk	Engineering	Legal	Management	Strategy	ICT	HR	Sustainability and Governance	Climate Change	Tenure (years)*	Nationality	Gender	Age*
Juan Sánchez-Calero Guilarte	✓			✓	✓			✓		3.8	ESP	M	66
Francesco Starace	✓	✓		✓	✓				✓	8.6	ITA	M	67
José Bogas Gálvez	✓	✓		✓	✓				✓	8.3	ESP	M	67
Ms. Maria Eugenia Bieto Caubet	✓			✓	✓		✓	✓		2.7	ESP	F	72
Antonio Cammisecra	✓	✓		✓	✓				✓	3.3	ITA	M	52
Ignacio Garralda Ruíz de Velasco	✓		✓	✓	✓		✓	✓		7.8	ESP	M	71
Ms. Pilar González de Frutos	✓		✓	✓	✓					2.7	ESP	F	66
Ms. Francesca Gostinelli	✓	✓		✓	✓			✓	✓	0.8	ITA	F	49
Francisco de Lacerda	✓			✓	✓		✓	✓		7.8	PRT	M	62
Ms. Alicia Koplowitz y Romero de Juseu	✓			✓	✓			✓		2.7	ESP	F	68
Alberto de Paoli	✓			✓	✓					8.2	ITA	M	57
Ms. Cristina de Parias Halcón	✓		✓	✓	✓	✓		✓		0.8	ESP	F	57

5.5. APPOINTMENTS AND COMPENSATION COMMITTEE REPORT

The Appointments and Compensation Committee unanimously approved its Appointments and Compensation Committee Report for 2021, 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 January 2022 meeting, the Committee was apprised of the findings of the assessment of the Board of Directors and its Committees in 2021, and indicated its approval of and satisfaction with the results obtained.

At its October 2022 meeting, the Committee approved the scope and methodology of the assessment process for fiscal year 2022 and reported favorably on the engagement of PwC as external advisor to support the assessment process of the Board of Directors and its Committees. The Committee also verified the independence of the external consultant at that meeting. The results of the assessment process were presented to this Committee at its meeting on January 2023. The assessment concluded that the Committee's operation is satisfactory and that said Committee is properly carrying out the duties entrusted thereto.

7. AGENDA AND MEETING SCHEDULE

In accordance with the Spanish Securities Market Commission's Technical Guidelines 1/2019 on appointments and compensation committees, the Appointments and Compensation Committee, at its meeting on 19 December 2022, approved a meeting schedule and annual work plan for 2023, as well as its 2023 targets, and also verified attainment of the established targets for fiscal year 2022.

The 2023 Annual Work Plan was prepared taking into account the Board of Directors' work plan as well as the convening of the 2023 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. COMPLIANCE WITH PRACTICAL GUIDELINES

The actions of Endesa's Appointments and Compensation Committee are based on the applicable legislation as well as on the Bylaws, Board of Directors Regulations, Appointments and Compensation Committee Regulations, Corporate Governance Code for Listed Companies and Spanish Securities Market Commission Technical Guidelines 1/2019 on appointments and compensation committees.

9. CONCLUSIONS

The Appointments and Compensation Committee Report for fiscal year 2022 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".

**10. 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 23 January 2022 and will be published on the Company's website for the 2023 Annual General Shareholders' Meeting.

III.SUSTAINABILITY AND GOVERNANCE COMMITTEE

A) REPORT OF ACTIVITIES OF THE SUSTAINABILITY AND CORPORATE
GOVERNANCE COMMITTEE CORRESPONDING TO 2022



**SUSTAINABILITY AND GOVERNANCE
COMMITTEE REPORT FOR FISCAL YEAR 2022**

CONTENTS

- 1. REGULATORY FRAMEWORK**
- 2. COMPOSITION**
- 3. COMMITTEE DUTIES**
- 4. COMMITTEE PROCEEDINGS AND MEETINGS**
- 5. WORK UNDERTAKEN DURING FISCAL YEAR 2022**
 - 5.1 Corporate Governance**
 - 5.2 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.

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 established a Sustainability and Governance Committee to ensure the best performance of its duties, and to reflect Endesa's commitment to continue integrating sustainability and good governance in the management of all activities of the Endesa Group.

The Sustainability and Governance Committee has its own Regulations to govern its operation, duties and powers, among other aspects, in accordance with applicable regulations, the Bylaws and the Board of Directors Regulations. These regulations were amended in February 2022 to expressly include the Sustainability and Governance Committee's climate change-related duties. Although the Committee had already been given oversight duties relative to sustainability and environmental policies as well as the sustainability strategy, because of the importance of the issue of climate change, it was considered that these duties should be expressly included.

2. COMPOSITION

In February 2022, Ms. Koplowitz tendered her resignation as a member of the Sustainability and Governance Committee. According to her statement, the reasons were purely personal, rendering it impossible for her to maintain the same level of dedication.

At the Annual General Shareholders' Meeting of 29 April 2022, the term of office of the Director Ms. Grieco, who was a member of the Sustainability and Governance Committee, ended.

In order to keep the composition of the Committee at four members, the Endesa Board of Directors approved, at its meetings held in May 2022 and October 2022 and at the proposal of the Appointments and Compensation Committee, the appointment of Ms. Francesca Gostinelli and Ms. Cristina de Parias Halcón as new members of the Sustainability and Governance Committee for a term of four years.

The composition of the Sustainability and Governance Committee as of 31 December 2022 is:

Position	Members	Date First Appointment	Category
Chairman	Mr. Juan Sánchez-Calero Guilarte	01/09/2020	External/Independent
Director	Mr. Ignacio Garralda Ruiz de Velasco	05/05/2021	External/Independent
Director	Ms. Francesca Gostinelli	09/05/2022	External/Shareholder-Appointed ⁽¹⁾
Director	Ms. Cristina de Parias Halcón	13/05/2022	External/Independent
Secretary	Mr. Borja Acha Besga		-

⁽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%). Furthermore, the Committee has a Shareholder-Appointed Director representing the controlling shareholder Enel, who holds 70.10% of the share capital of Endesa.

The composition of this Committee is intended to incorporate diverse professional and management experiences and skills, including 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 60.75, with ages ranging from 49 to 71.
- Seniority: average seniority of the Committee members is 1.23 years; however, it should be noted that it was created 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	SKILLS AND COMPETENCIES								DIVERSITY			
	Finance & Risk	Engineering	Legal	Management	Strategy	ICT	HR	Sustainability and Governance	Tenure (years)	Nationality	Gender	Age
Mr. Juan Sánchez-Calero Guilarte	✓		✓	✓	✓			✓	2.33	ESP	M	66
Mr. Ignacio Garralda Ruiz de Velasco	✓		✓	✓	✓		✓	✓	1.67	ESP	M	71
Ms. Francesca Gostinelli	✓	✓		✓	✓			✓	0.67	ITA	F	49
Ms. Cristina de Parias Halcón	✓			✓	✓	✓		✓	0.25	ESP	F	57

During the assessment process of the Board of Directors and its Committees carried out with the assistance of PWC, the latter remarked that *not only is the Board compliant with certain gender diversity ratios, but it also has complementary profiles of an exceptional caliber, possessing considerable experience of the business and of the wider industry, and with financial, managerial, academic, legal and other backgrounds. The independent consultant also noted that the Board's international experience is sufficient and adequate in view of the markets in which the Company currently operates.*

Endesa believes that the Directors play a pivotal role in promoting good governance at the Company, and the composition of the Board of Directors and its Committees is a decisive factor in that sense, enhancing the decision-making process and making the Directors more adept and effective at promoting the corporate interest. In this regard, Director knowledge and expertise are increasingly becoming a key asset for the Company, for the proper operation of the Board and the Committees, and for stakeholders.

However, Endesa considers the regular updating of the Directors' knowledge to be essential in ensuring that the Directors have an outstanding grasp of innovative, technical and complex matters and this training is approved by the Appointments and Compensation Committee each

year. It is also considered immensely important for Board members and Committee members alike to be able to rely on the advice and support of independent third-party experts on any aspects that they deem appropriate. For this reason, both the Board of Directors and the Committees of Endesa have budgets set aside so that their members can seek and obtain any advice they consider appropriate in each case.

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.

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 meets 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, 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 Sustainability and Governance Committee met five times during fiscal year 2022. The average in-person attendance at the meetings held was 100%.

Individual attendance by the Sustainability and Governance Committee members in fiscal year 2022 is detailed below

INDIVIDUAL ATTENDANCE AT SUSTAINABILITY AND GOVERNANCE COMMITTEE MEETINGS			
Directors	In-Person Attendance ⁽¹⁾	Proxies	Total Attendance
Juan Sánchez-Calero Guilarte	5/5	-	5/5
Ignacio Garralda Ruiz de Velasco	5/5	-	5/5
Maria Patrizia Grieco ⁽²⁾	2/2	-	2/2
Francesca Gostinelli ⁽³⁾	3/3	-	3/3
Alicia Koplowitz y Romero de Juseu ⁽⁴⁾	1/1	-	1/1
Cristina de Parias Halcón ⁽⁵⁾	1/1		1/1

⁽¹⁾ In calculating "In-Person Attendance" at Board and Committee meetings, both physical attendance and remote attendance using a method that allows for direct interaction by the director shall be taken into account. For such purposes, attendance by proxy, even if the proxyholder is granted specific instructions, shall not be considered in-person attendance, in accordance with the criteria set forth in Circular 3/2021 of the Spanish Securities Market Commission, which provides forms for the annual corporate governance reports for listed companies.

⁽²⁾ Ms. Grieco's term of office as Director of Endesa came to an end on 29 April 2022.

⁽³⁾ Ms. Gostinelli joined the S&GC in May 2022.

⁽⁴⁾ Ms. Koplowitz tendered her resignation as member of the S&GC in February 2022.

⁽⁵⁾ Ms. De Parias joined the S&GC in October 2022.

The Chairman of the Sustainability and Governance 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 Sustainability and Governance 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.

External Participation in Sustainability and Governance Committee Meetings (2022):

The Chairman of the Sustainability and Governance Committee requested the participation of the following at its Committee meetings: Managing Director (attended 3 meetings); General Manager of People and Organization (attended 4 meetings); General Manager of Administration, Finance and Control (attended 4 meetings); Sustainability General Manager (attended 4 meetings); and Institutional and Compensation Manager, jointly with the Environmental Manager (attended 1 meeting).

5. WORK UNDERTAKEN DURING 2022

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 in fiscal year 2022 are as follows:

5.1 Corporate Governance

- ✓ Report favorably, prior to its approval by the Board of Directors, on the proposed amendment to the “Board of Directors Regulations” and the “Sustainability and Governance Committee Regulations,” in order to expressly include the climate change-related duties of the Board and the Committee.

The Committee proposed these modifications, which aligns with the Company’s strategy, based on acknowledging the importance of climate change and the need to work to achieve a sustainable future, as key elements that should guide our economy and that have forever changed the standard for business management models.

- ✓ Monitor compliance with the Company's corporate governance rules:
 - The contracting of independent third-party services for the holding and review of the 2022 Annual General Shareholders’ Meeting and of the Extraordinary General Shareholders’ Meeting held in November 2022, in order to ensure greater reliability and transparency with respect to the operation of the meetings and to protect shareholders’ rights in the process of calling, preparing and holding them, as well as the subsequent review of the results and the conclusions provided by independent third parties.
 - The Sustainability and Governance Committee received information on the proposed Code of Good Practices for institutional investors, asset managers and proxy advisors that the Spanish Securities Market Commission published on 24 June 2022 and submitted for public consultation until 16 September 2022.
 - Pre-approval assessment of the Annual Corporate Governance Report 2022, in order to verify compliance with the recommendations of the Code or, where appropriate, to assess the explanation for failure to comply, taking into account the particular perspective and circumstances relating to Endesa’s corporate governance.

- 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. 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.
 - The Sustainability and Governance Committee received information on the Board Secretary's contacts with proxy advisors in fiscal year 2022.
- ✓ Propose the following reports to the Board of Directors for approval and publication:
- Sustainability and Governance Committee Report for Fiscal Year 2021, at its meeting held on 26 January 2022.
 - 2021 Annual Corporate Governance Report, on matters falling within the purview of the Sustainability and Governance Committee, at its meeting held on 17 February 2022.

5.2 Sustainability

The key sustainability duties performed by the Sustainability and Governance Committee in 2022 were:

- ✓ Monitor and report favorably, prior to approval by the Board of Directors, on the yearly review of compliance with Endesa's 2021-2025 Sustainability Plan and the 2022-2026 Sustainability Plan Report.

In addition, the Committee supervises the analysis of Endesa's sustainability materiality matrix in the process of identifying and assessing the material environmental, social, ethical and economic matters on which the Sustainability Plan is based.

- ✓ To review and report on the non-financial information statement for fiscal year 2021, which includes information on the Company's climate change-related risks and objectives, in order to verify that the contents thereof are in line with the Endesa Group's Sustainability Plan, prior to its review and reporting by the Audit and Compliance Committee and prior to the subsequent drafting thereof by the Board of Directors.

In addition, the report explaining Endesa's position on climate change was submitted to the Committee.

✓ Receive information on:

- The Endesa Group's social action and its sponsorship and patronage plans, as well as the Endesa Foundation's actions and projects in fiscal year 2021.
- The Endesa project "Creating shared value (CSV): the value added to the local community in generation," which aims to integrate management of social, environmental and ethical aspects in the deployment of activities in the generation line of business.
- Endesa's gender diversity objectives and plans at year-end, as well as the monitoring of Valuable Action Plan 500.
- The Endesa Group's position on the most relevant international sustainability indexes, namely, the updating of the DJSI World, DJSI Europe, Euronext VIGEO, FTSE4Good, Sustainalytics and MSCI ratings with respect to the environmental, social and governance (ESG) areas of activity.
- Directive (EU) 2022/2464 of the European Parliament and of the Council of 14 December 2022 amending Regulation (EU) No 537/2014, Directive 2004/109/EC, Directive 2006/43/EC and Directive 2013/34/EU, as regards corporate sustainability reporting.

6. ASSESSMENT OF THE SUSTAINABILITY AND GOVERNANCE 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 Sustainability and Governance Committee for 2022 was completed.

Guideline 36 recommends that, at least every three years, an external advisor assist the Board of Directors in carrying out the assessment. Hence, the assessment of 2022 was carried out with the help of the external consultant PwC. The results of the assessment were presented to this Committee at its meeting on January 2023. The assessment concluded that the Committee's operation is satisfactory and that said Committee is properly carrying out the duties entrusted thereto.

7. AGENDA AND MEETING SCHEDULE

At its meeting on 19 December 2022, the Sustainability and Governance Committee approved a meeting schedule and annual work plan for 2023, as well as its 2023 targets, and also verified attainment of the established targets for fiscal year 2022.

The 2023 Annual Work Plan was prepared taking into account the Board of Directors' work plan as well as the convening of the 2023 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. 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.

9. CONCLUSIONS

The Sustainability and Governance Committee Report for fiscal year 2022 is intended to allow shareholders and other interested parties to understand the duties and work completed.

10. 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 23 January 2023 and will be published on the Company's website for the Annual General Shareholders' Meeting.

ANNEX I

PERSONALIZED ATTENDANCE PERCENTAGES AT BOARD AND
COMMITTEE MEETINGS IN 2022

INDIVIDUAL ATTENDANCE

BOARD OF DIRECTORS			
Directors	In-Person Attendance	Proxies	Total Attendance
Mr. Juan Sánchez-Calero Guilarte	14/14	-	14/14
Mr. Francesco Starace	10/14	2/4	12/14
Mr. José D. Bogas Gálvez	14/14	-	14/14
Ms. Eugenia Bieto Caubet	14/14	-	14/14
Mr. Antonio Cammisecra	9/14	4/5	13/14
Mr. Ignacio Garralda Ruíz de Velasco	13/14	1/1	14/14
Ms. Pilar González de Frutos	14/14	-	14/14
Ms. Maria Patrizia Grieco ¹	5/5	-	5/5
Ms. Alicia Koplowitz y Romero de Juseu	11/14	2/3	13/14
Francisco de Lacerda	14/14	-	14/14
Alberto de Paoli	12/14	2/2	14/14
Ms. Francesca Gostinelli ²	8/9	1/1	9/9
Ms. Cristina de Parias Halcón ³	9/9	-	9/9

AUDIT AND COMPLIANCE COMMITTEE			
Directors	In-Person Attendance	Proxies	Total Attendance
Francisco de Lacerda	13/13	-	13/13
Ms. Maria Eugenia Bieto Caubet	13/13	-	13/13
Ms. Pilar Gonzalez de Frutos	13/13	-	13/13
Ms. Alicia Koplowitz y Romero de Juseu ⁴	1/1	-	1/1
Alberto de Paoli	11/13	0/2	11/13
Ms. Cristina de Parias Halcón ⁵	5/6	1/1	6/6

¹ Expiration of the Endesa, S.A. Director's term of office on 29/04/2022

² Appointed as Director of Endesa, S.A. on 29/04/2022

³ Appointed as Director of Endesa, S.A. on 29/04/2022

⁴ Ms. Koplowitz's tenure as member of the Audit and Compliance Committee expired on 14/02/2022

⁵ Ms. de Parias Halcón joined the Audit and Compliance Committee on 09/05/2022

APPOINTMENTS AND COMPENSATION COMMITTEE			
Directors	In-Person Attendance	Proxies	Total Attendance
Mr. Ignacio Garralda Ruíz de Velasco	7/7	-	7/7
Ms. Eugenia Bieto Caubet	6/7	1/1	7/7
Mr. Antonio Cammisecra	5/7	0/2	5/7
Ms. Pilar González de Frutos	7/7	-	7/7
Mr. Francisco de Lacerda	7/7	-	7/7

SUSTAINABILITY AND GOVERNANCE COMMITTEE			
Directors	In-Person Attendance	Proxies	Total Attendance
Juan Sánchez-Calero Guilarte	5/5	-	5/5
Ignacio Garralda Ruíz de Velasco	5/5	-	5/5
Ms. Maria Patrizia Grieco ⁶	2/2	-	2/2
Ms. Alicia Koplowitz y Romero de Juseu ⁷	1/1	-	1/1
Ms. Francesca Gostinelli ⁸	3/3	-	3/3
Ms. Cristina de Parias Halcón ⁹	1/1	-	1/1

"In-Person Attendance" shall include both physical attendance and remote attendance using a method that allows for direct interaction by the director. For such purposes, attendance by proxy, even if the proxyholder is granted specific instructions, shall not be considered in-person attendance.

⁶ Expiration of the Endesa, S.A. Director's term of office on 29/04/2022

⁷ Ms. Koplowitz's tenure as member of the Sustainability and Governance Committee expired on 14/02/2022

⁸ Ms. Gostinelli joined the Sustainability and Governance Committee on 09/05/2022

⁹ Ms. de Parias Halcón joined the Sustainability and Governance Committee on 14/10/2022