



# Endesa, S.A.

Independent limited assurance report on the  
"Statement of Proportion of CAPEX aligned to  
the EU Taxonomy Percentage" of the Endesa  
Group for the ended year December 31, 2023



KPMG Auditores, S.L.  
Paseo de la Castellana, 259C  
24046 Madrid

## **Independent limited assurance report on the “Statement of Proportion of CAPEX aligned to the EU Taxonomy Percentage”**

To Management of Endesa, S.A.

### **Opinion**

We have been engaged by Management of Endesa, S.A. (hereinafter the “Company”) to present an independent limited assurance report on the “Statement of Proportion of CAPEX aligned to the EU Taxonomy Percentage as of December 31, 2023” of the Endesa Group (hereinafter the “Statement”), which is attached hereto as Appendix. Such Statement has been prepared by you in accordance with the provisions of the Sustainable Development Goals Section of the Information Memorandum from the ECP Programme signed by the Company on 10 May 2023, which sets out the terms and conditions of the debt issue programme known as “€5,000,000,000 SDG13 EURO-COMMERCIAL PAPER PROGRAMME”, available in <https://www.endesa.com/es> and in accordance with the criteria set forth in the Explanatory Notes of the Statement.

### **Management's Responsibilities**

Management of Endesa, S.A. is responsible for the preparation and presentation of the Statement in such a way that it is free from material misstatement, in accordance with the provisions of the Information Memorandum of the aforementioned debt issue programme and the criteria described on the Explanatory Notes of the Statement.

This responsibility includes establishing such controls as Management determines are necessary to enable the preparation and presentation of the Statement to be free from material misstatement whether due to fraud or error.

Management of Endesa, S.A. is also responsible for defining, implementing, adapting and maintaining the management systems used to obtain the information required to prepare the Statement.



## Our Responsibilities

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Our responsibility consists of examining the Statement prepared by the Company and reporting thereon in the form of an independent limited assurance conclusion based on the evidence obtained.

We conducted our engagement in accordance with ISAE 3000 (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information, issued by the International Auditing and Assurance Standards Board (IAASB). This standard requires that we plan and execute our procedures to obtain a significant level of assurance as to whether the Statement for 2023, has been prepared by Company Management, in all material respects, in accordance with the provisions of the Sustainable Development Goals Section of the Information Memorandum signed by the Company on 10 May 2023, which sets out the terms and conditions of the debt issue programme known as "€5,000,000,000 SDG13 EURO-COMMERCIAL PAPER PROGRAMME", and in accordance with the criteria set forth in the Explanatory Notes of the Statement, as a basis for our limited assurance conclusion.

Our firm applies International Standard on Quality Management 1 which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We have complied with the independence and other ethical requirements of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including international independence standards) (IEBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our work consisted of conducting interviews with Company Management and those charged with preparing the information included in the Statement, reviewing the processes for compiling and validating the information presented in the Statement and applying certain analytical procedures, which are described below:

- Comprehension and analysis of the processes implemented by the Group for compiling and validating the data used to prepare the "Statement".
- Procurement of a detailed list of Capex investments made by the Group during the year under review that reconciles with the Capex of the consolidated financial statements, and in which identified the investment considered eligible and aligned in accordance with article 3 Regulation 2020/852 of The European Parliament of 18 June, on the establishment of a framework to facilitate sustainable investment.
- For a sample of aligned investments, review the invoice, contract, or information relative that supports its record, as well as the evaluation and information considered by the administration to define that the assets meet the criteria described in Article 3 of the Taxonomy Regulation of the European Union.
- Checking for the selected sample that are met:
  - Substantial contribution analysis.
  - Evaluation of "does not significantly harm".

- Comprehension and procurement of the minimum social safeguards in accordance with article 3 Regulation 2020/852 of The European Parliament of 18 June.
- Checking of the calculate of the "Proportion of Capex aligned to the EU Taxonomy Percentage" contained in the "Statement".

Our engagement included also to evaluate the adequacy of criteria used by Management of Endesa S.A for the preparation of *"Statement of Proportion of CAPEX aligned to the EU Taxonomy Percentage as of December 31,2023"* at function of the circumstantial of engagement.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited review engagement is lower than that of a reasonable assurance engagement.

## Conclusion

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Our conclusion has been formed on the basis of, and is subject to, the matters outlined in this report. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Based on the procedures performed and evidence obtained, nothing has come to our attention that causes us to believe that the Endesa Group's "Statement of Proportion of CAPEX aligned to the EU Taxonomy Percentage as of December 31,2023" has not been prepared, in all material respects, in accordance with the provisions of the Sustainable Development Goals Section of the Information Memorandum signed by the Company on 10 May 2023, which sets out the terms and conditions of the debt issue programme known as "€5,000,000,000 SDG13 EURO-COMMERCIAL PAPER PROGRAMME", as well as the criteria set forth in the Explanatory Notes of the Statement.

## Use and Distribution

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This independent limited assurance report has been prepared in relation to the requirements of the Information Memorandum for the debt issue programme known as "€5,000,000,000 SDG13 EURO-COMMERCIAL PAPER PROGRAMME", and therefore has no other purpose and cannot be used in any other context.

KPMG Auditores, S.L.



Estíbaliz Bilbao Belda

26 March 2024



**Statement of Proportion of CAPEX aligned to the EU Taxonomy  
Percentage as of December 31, 2023**

Description		Amount in M€
Total Capital Expenditure	(a)	2.463
Total of CAPEX aligned to the EU Taxonomy	(b)	1.866
Proportion of CAPEX aligned to the EU Taxonomy Percentage	(b) / (a)	76%



## Explanatory Notes to the “Statement of Proportion of CAPEX aligned to the EU Taxonomy Percentage as of December 31, 2023”

### 1. Purpose of the Statement

Endesa, S.A. (the “**Issuer**”) has established a SDG13 (Affordable and Clean Energy) Euro-Commercial Paper Programme (the “**SDG 13 Programme**”) for the issuance of up to €5,000,000,000 in aggregate principal amount of notes (the “**Notes**”). Terms and conditions of the Notes (the “**Terms and Conditions**”) are illustrated in the Annex 1 “Terms and Conditions of the Notes” included in the relevant Information Memorandum dated May 10, 2023.

Section “Additional information on the Programme” of the Information Memorandum dated May 10, 2023 includes a subsection “Sustainable Development Goals” which defines that the Proportion of CAPEX aligned to the EU Taxonomy Percentage by end of year 2023 should be greater than 78%.

Therefore, for the purposes of complying with such disclosure undertakings, the Issuer has to provide this Statement of Proportion of CAPEX aligned to the EU Taxonomy Percentage.

### 2. Definitions

The Information Memorandum dated May 10, 2023 sets forth the following definitions:

**“Total Capital Expenditure”** means the total amount of capital expenditure of the Issuer as of a given date, accounted based on the conditions established by the EU Taxonomy Regulation and the EU Taxonomy delegated act supplementing Article 8 of the EU Taxonomy Regulation (Commission Delegated Regulation (EU) 2021/2178 of 6 July 2021);

**“Proportion of CAPEX aligned to the EU Taxonomy Percentage”** means the proportion of Total Capital Expenditure accounted over a stated period in activities that qualify as environmentally sustainable according to the criteria set out in Article 3 of the EU Taxonomy Regulation, and in the relevant delegated acts and/or regulations, published from time to time including, without limitation, the EU Taxonomy Climate Delegated Act and Commission Delegated Regulation (EU) 2021/2178 of 6 July 2021, calculated in good faith by the Issuer, confirmed by the External Verifier and published by the Issuer;



Also, for the purpose of this statement, it included the following definition:

**"Total CAPEX aligned to the EU Taxonomy"** means the Total Capital Expenditure accounted over a stated period in activities that qualify as environmentally sustainable according to the criteria set out in Article 3 of the EU Taxonomy Regulation, and in the relevant delegated acts and/or regulations, published from time to time including, without limitation, the EU Taxonomy Climate Delegated Act and Commission Delegated Regulation (EU) 2021/2178 of 6 July 2021, calculated in good faith by the Issuer, confirmed by the External Verifier and published by the Issuer

Terms used, but not defined, in this Statement of Proportion of CAPEX aligned to the EU Taxonomy Percentage 2023 Target have the meanings given to them in the Information Memorandum dated May 10, 2023.

### 3. Preparation criteria and considerations

By means of a process articulated in five-step the applicability of the EU Taxonomy Regulation has been verified for the calculation of the Proportion of CAPEX aligned to the EU Taxonomy Percentage, namely:

1. **Identification of eligible economic activities:** Endesa has identified all activities within its portfolio that are included in the delegated acts of the EU Taxonomy Regulation.
2. **Analysis of substantial contribution:** eligible activities identified in the previous phase have been thoroughly analyzed for their compliance with the specific technical screening criteria established to measure their substantial contribution to climate change mitigation
3. **Assessment of the principle of Do No Significant Harm (DNSH) to other objectives:** an analysis of existing environmental procedures was carried out to verify compliance with the DNSH quality criteria for each type of technology, region and/or product cluster level
4. **Assessment of the minimum social safeguards:** The compliance with the minimum social safeguards have been verified through Endesa's human rights due diligence process, grounded in the United Nations framework "Protect, Respect and Remedy", set out in the guiding principles on business and human rights, and in the OECD guidelines for multinational enterprises.
5. **Calculation of financial metrics:** the capex metric was associated with each economic activity according to the classification made in steps 1-4, collecting the relevant financial information from the Group's





accounting system. In addition, some proxies have been performed for specific activities when financial information was not available in the accounting system.

During the process of calculating the financial metric, the following criteria were adopted and the following considerations were made:

- The financial information was gathered from the digital accounting system used by Endesa, or from the management systems in use by the Company's Business Lines. However, some proxies were delegated to provide a more detailed representation of the figures or to exclude specific activities from the overall calculation of eligible alignment, among which:
  - hydroelectric: eligible not aligned hydroelectric power plants were excluded proportionally to their output in 2023.
  - infrastructure and networks: new connections between a substation or grid and a power plant with a greenhouse gas intensity above the threshold of 100 gCO<sub>2eq</sub>/kWh were excluded considering their capacity (in MW) multiplied by the average capex per unit (k€/ MW) in 2023.

Madrid, March 26<sup>th</sup> 2024

Signed for and on behalf of ENDESA, S.A

Marco Palermo

Adolfo García Nombela

Firmado por:  
Y0179906Z - MARCO

Firmado por:  
07235939R - ADOLFO

Chief Financial Officer

Head of Finance and Insurance