



ANNUAL REPORT ON DIRECTOR REMUNERATION OF LISTED COMPANIES

ISSUER IDENTIFICATION DETAILS

Year end-date: 31/12/2023

TAX ID (CIF): A-28023430

Company name:
ENDESA, S.A.

Registered office:
RIBERA DEL LOIRA, 60, MADRID

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A. REMUNERATION POLICY OF THE COMPANY FOR THE CURRENT FINANCIAL YEAR

- A.1. Explain the current director remuneration policy applicable to the year in progress. To the extent that it is relevant, certain information may be included in relation to the remuneration policy approved by the General Shareholders' Meeting, provided that these references are clear, specific and concrete.

Such specific determinations for the current year as the board may have made in accordance with the contracts signed with the executive directors and with the remuneration policy approved by the General Shareholders' Meeting must be described, as regards directors' remuneration both in their capacity as such and for executive functions carried out.

In any case, the following aspects must be reported, as a minimum:

- a) Description of the procedures and company bodies involved in determining, approving and applying the remuneration policy and its terms and conditions.
- b) Indicate and, where applicable, explain whether comparable companies have been taken into account in order to establish the company's remuneration policy.
- c) Information on whether any external advisors took part in this process and, if so, their identity.
- d) Procedures set forth in the current remuneration policy for directors in order to apply temporary exceptions to the policy, conditions under which those exceptions can be used and components that may be subject to exceptions according to the policy.

Procedures and company bodies involved in determining, approving and applying the remuneration policy and its terms and conditions: Endesa's Appointments and Compensation Committee is the body responsible for proposing the Directors Compensation Policy to the Board of Directors and for issuing a specific report to accompany this proposal, for approval by the General Meeting

Furthermore, the Committee shall annually review the Directors Compensation Policy, with internal support from the heads of the People and Organization, Strategy, Economic-Financial and Sustainability areas as well as from the Secretary of the Committee, in order to verify that such policy is aligned with the Company's position and strategy and with market conditions, as well as to assess whether said policy contributes to the creation of long-term value and to adequate risk control and management. In addition, if it deems it appropriate, the Committee may contract the services of an external advisor to participate in the preparation of the Directors Compensation Policy proposal.

As relates to application of the Policy, Endesa's Appointments and Compensation Committee is the body responsible for proposing to the Board of Directors the individual compensation, fixed and variable, as well as other contract terms for the Executive Directors, including possible severance pay for early termination of their duties and the amounts to be paid by the Company for insurance premiums or contributions to savings systems, in accordance with the provisions of the Company's internal regulations and directors compensation policy approved by the General Shareholders' Meeting.

The Appointments and Compensation Committee shall be responsible for proposing to the Board of Directors the exact amount to be paid in each fiscal year to the Directors in their capacity as such, subject to the limit set by the General Shareholders' Meeting, as well as allocating such amount between the directors, in the manner, time and proportion as freely determined, considering the positions, functions and internal responsibilities and of institutional representation entrusted to each Director, their membership in Board Committees and all other relevant objective circumstances.

Finally, it should be noted that the Appointments and Compensation Committee shall have the following duties relating to calculating or verifying the compensation accrued by the directors:

- To annually verify that the Directors Compensation Policy is properly applied and that no payments not provided for in said policy are made to Directors.
- To verify, in cooperation with the Internal Audit Department, any information regarding compensation of Directors included in the annual report on directors compensation.
- To verify, in cooperation with the Directorate General of Internal Auditing, whether any circumstances exist that would justify the application of the *malus* or claw-back clauses provided for the Executive Directors and to propose, where appropriate, the relevant measures to recover the applicable amounts.

Current director remuneration policy applicable to the year 2024:

Endesa's General Shareholders' Meeting, held on 29 April 2022, approved Endesa's 2022-2024 Directors Compensation Policy, which will remain in effect until no later than 31 December 2024.

Under current legislation, proposed new director compensation policies must be submitted to the General Shareholders' Meeting before the end of the last year in which the existing policy is applicable, and the General Meeting may resolve that the new policy will be applicable starting at the date on which it is approved and for the following three years. Accordingly, a new policy will be submitted to the upcoming 2024 Endesa General Shareholders' Meeting for approval.

Endesa's proposed new Directors Compensation Policy for 2024-2027, prepared in cooperation with the external consultant Ernst & Young Abogados, S.L.P., and which shall be submitted to the 2024 General Shareholders' Meeting, does not modify the general compensation principles or the compensation structure established in the Endesa Directors Compensation Policy 2022-2024 (see Section A.2).

Procedures provided for in the current directors compensation policy for applying temporary exceptions to the policy within the framework established by the Directors Compensation Policy of Endesa, section 3.3 (Revision of Executive Director compensation), it would be possible to revise (taking into account the information on the evolution of the salary market, the growth forecast every year and/or the corresponding studies and market analysis) and, where appropriate, modify the following, with the approval of the Board of Directors on the proposal of the Appointments and Compensation Committee: The annual fixed compensation and the target of the variable compensation of the executive directors, when the circumstances established in section 3.3 of Endesa's Directors Compensation Policy occur. These changes would be subject to publication in the Annual Report on Directors Compensation and subsequent approval by the General Shareholders' Meeting.

A.1.2 Relative importance of variable remuneration items vis-à-vis fixed remuneration (remuneration mix) and the criteria and objectives taken into consideration in their determination and to ensure an appropriate balance between the fixed and variable components of the remuneration. In particular, indicate the actions taken by the company in relation to the remuneration system to reduce exposure to excessive risks and to align it with the long-term objectives, values and interests of the company, which will include, as the case may be, mention of the measures taken to ensure that the long-term results of the company are taken into account in the remuneration policy, the measures adopted in relation to those categories of personnel whose professional activities have a material impact on the risk profile of the company and measures in place to avoid conflicts of interest.

Furthermore, indicate whether the company has established any period for the accrual or vesting of certain variable remuneration items, in cash, shares or other financial instruments, any deferral period in the payment of amounts or delivery of accrued and vested financial instruments, or whether any clause has been agreed reducing the deferred remuneration not yet vested or obliging the director to return remuneration received, when such remuneration has been based on figures that have since been clearly shown to be inaccurate.

The remuneration of non-executive Directors is specified in a fixed monthly allocation and an attendance allowance, without items of variable remuneration. This is why the concept of "compensation mix" only refers to the CEO.

The structure for the CEO's remuneration envisaged for 2024 guarantees an adequate mix between fixed compensation, short-term variable compensation and long-term variable compensation. TABLE 0 - REMUNERATION FOR EXECUTIVE DUTIES

The total compensation for an Executive Director in fiscal year 2024 may vary between a minimum, represented by fixed compensation, and a maximum, which can be attained by exceeding targets.

Chief Executive Officer's compensation mix:

In a scenario of 100% target goal achievement, the weight of the fixed compensation would represent 48%, the short-term variable compensation 27% and the long-term variable compensation 25%, in all cases (fixed, ordinary variable and long-term variable) of the total remuneration. In a scenario of maximum target achievement (up to 120% of the short-term variable and 180% of the long-term variable compensation), the weight of the fixed compensation would represent 37%, the short-term variable compensation 27% and the long-term variable compensation 36%, all of the total remuneration (fixed, ordinary variable and long-term variable). The balance in the compensation mix does not provide any incentive for assuming too many risks.

It should be pointed out that both short-term variable compensation and long-term variable compensation are linked to the Company's Strategic Plan, which integrates business and financial targets, ESG factors, and which is focused and designed based on the fight against climate change. In this regard, it should be pointed out that the company's strategic plan includes Endesa's action plan on climate change. Specifically, the Strategic Plan 2024-2026 further consolidates the path to decarbonizing the Company's generation mix, diversifying higher-added-value offers to liberalized customers and developing the distribution network as an integration element. For all these reasons the compensation of Executive Directors is always aligned with the Company's short- and long-term risks. In this regard:

- Ordinary or short-term variable remuneration for 2024 uses five measurement criteria based on quantitative indicators, including ESG metrics. Specifically, it includes: three financial criteria related to profit and cash, one for business and one for occupational safety. The specific objectives determined for each of these criteria have been designed considering the 2024-2026 Strategic Plan of Endesa and, in this sense, it is guaranteed that the Company's performance and objectives for the fiscal year are taken into account. TABLE 0: REMUNERATION FOR EXECUTIVE DUTIES - AGREED FOR 2024

Short-term variable remuneration based on the Company's results shall be paid out once the General Shareholders' Meeting has approved the annual financial statements for the financial year being remunerated and, if the external audit report contains any qualifications, the results shall be reduced accordingly.

- Long-term variable remuneration for 2024 (Strategic Incentive 2024-2026) uses four measurement parameters based on quantitative performance indicators, including ESG metrics. The specific targets determined for each of these parameters are designed considering Endesa's 2024-2026 Strategic Plan with a focus on the long-term and sustainability, from the point of view of the Company's own objectives with regard to climate change, shareholder return and gender balance. TABLE 0: REMUNERATION FOR EXECUTIVE DUTIES - AGREED FOR 2024

In the long-term remuneration, since 2014, the plans have provided for deferred payment and require the Director to be active when payment is made (unless the director is retiring or leaving the company due to termination of a fixed-term contract, in which case the director may collect on the plans completed as at the date of removal, although payment will be deferred until the applicable date, even if the director is not active at that time); these payments are made in two installments: 30%, if applicable, in the year after the plan ends, and the remaining 70%, if applicable, in the second year after the termination of the plan.

Additionally, from the last "2020-2022 Strategic Incentive" shares were included as part of the payment, to adapt the payment of executive directors to the best corporate governance practices.

- The Board of Directors, at the proposal of the Appointments and Compensation Committee, is in charge of establishing the targets and their weighting and metrics at the beginning of each fiscal year, as well as for assessing compliance with targets at the end of the year. In this task of assessing the fulfillment of the short and long term objectives, the Appointments and Compensation Committee will perform its function of verifying the remuneration information of the Directors with the support of the General Audit Department, which will make an analysis and issue a conclusion on the fulfillment of the short- and long-term objectives of the executive directors and will ensure the absence of conflicts of interest in determining the achievement level of said objectives.

It should also be noted that the Appointments and Compensation Committee consists of five members, four of whom are independent Directors, one being the Chairman of this Committee. Three members of the Committee are also members of the Audit and Compliance Committee. The overlap in membership of each three members on these two Committees ensures that compensation-related risks are considered during Committee discussions and in Committee proposals to the Board as regards both establishing and assessing annual and multi-annual incentives.

- As regards short and long-term variable compensation, a "malus" clause will be implemented, authorizing the company to withhold payments of any accrued and outstanding variable compensation, as well as a clawback clause requiring Directors to return any variable compensation received when following payment of the incentive it is found that the data used for such calculation or payment was erroneous. The Appointments and Compensation Committee has approved a procedure for verification of MALUS and CLAW-BACK clauses, by means of which the Committee verifies, with the support of Endesa's Audit Department, whether circumstances exist that justify the application of the malus or claw-back clauses in relation to the variable remuneration of the executive directors in the last five years. These verification measures will be applied to the current executive directors, with projections for former executive directors.

A1.3. Amount and nature of fixed components that are due to be accrued during the year by directors in their capacity as such.

Directors shall be entitled to the following compensation based on their condition as such: a monthly fixed allocation and attendance allowances for each meeting of the governing bodies of the Company and its Committees.

The following accruals are planned for fiscal year 2024:

- "Fixed monthly allocation" at the date of issuance of this Report, for the members of the Board of Directors in their capacity as such, the amount applied for this concept has been maintained since January 2013, and is €15.6 thousand gross.

Fixed allocation to the Chairman of the Board of Directors: In April 2019 the Ordinary General Shareholders' Meeting approved a fixed monthly amount of €50 thousand gross in the Compensation Policy (instead of the fixed monthly allocation of €15.5 thousand gross established for the other directors), for the position of non-executive Chairman of the Board of Directors. This item of remuneration has not changed.

Fixed allocation - Committee Chairmen: The Chairman of the Audit and Compliance Committee will receive 5 thousand euros gross per month, and the chairmen of the Appointments and Compensation Committee and the Sustainability and Governance Committee, 3 thousand euros gross per month.

- "Attendance allowances": as of the date of issuance of this Report, the amount approved by the Board on 21 January 2013 is maintained, which is €1.5 thousand gross per meeting.

- The estimated remuneration of the Directors in their capacity as such, for the year 2024, will range between €188 thousand and €224 thousand gross/Director, as fixed allocation, and approximately between €21 thousand and €50 thousand gross/director as attendance allowances.

- The non-executive Chairman of the Board is expected to receive in fiscal year 2024 an amount of ca. €600 thousand gross as fixed allocation, €36 thousand gross as Chairman of the Sustainability and Governance Committee and approximately €28 thousand in allowances for attendance at the meetings of the Board of Directors and the Sustainability and Governance Committee.

- Directors Bogas, Cattaneo, De Angelis, Armani and Gostinelli have fully waived their right to compensation arising from their status as Directors.

A1.4. Amount and nature of fixed components that are due to be accrued during the year for the performance of senior management functions of executive directors.

For the year 2024, as a annual fixed gross remuneration for the performance of senior management duties, the CEO, Mr. José Damián Bogas Gálvez will accrue €1,000 thousand, the same amount as in 2023. TABLE 0 - REMUNERATION FOR EXECUTIVE DUTIES

A1.5. Amount and nature of any component of remuneration in kind that will accrue during the year, including, but not limited to, insurance premiums paid in favour of the director.

In 2024 the items of remuneration in kind of the CEO of the year 2023, described in section B.14, are maintained: life insurance amounting to €78.28 thousand; collective health care policy with a subsidy of 100% of the cost of the payment of the holder and dependent relatives for an amount of €7.90 thousand, respectively; as well as other remuneration in kind, which include electricity supply at the employee rate or the assignment of a company car under a renting system for €37.70 thousand. Additionally, the CEO accrues an amount of €13.01 thousand for the granting of loans and guarantees.

Furthermore, with regard to the Chairman of the Board of Directors, qualified as a non-executive independent director, as remuneration for the representative functions he undertakes in the performance of his position, is assigned a car with driver in the amount of €13.01 thousand and health care insurance for €7.90 thousand, under the same conditions as the Chief Executive Officer.

A1.6. Amount and nature of variable components, differentiating between those established in the short and long terms. Financial and non-financial, including social, environmental and climate change parameters selected to determine variable remuneration for the current year, explaining the extent to which these parameters are related to performance, both of the director and of the company, and to its risk profile, and the methodology, necessary period and techniques envisaged to be able to determine the effective degree of compliance, at the end of the year, with the parameters used in the design of the variable remuneration, explaining the criteria and factors applied in regard to the time required and methods of verifying that the performance or any other conditions linked to the accrual and vesting of each component of variable remuneration have effectively been met.

Indicate the range, in monetary terms, of the different variable components according to the degree of fulfilment of the objectives and parameters established, and whether any maximum monetary amounts exist in absolute terms.

For financial year 2024, the CEO has been assigned short-term variable remuneration and long-term variable remuneration. Both kinds of targets are linked to variables related to the CEO's performance and to financial and non-financial factors, all of them aligned with the Company's Strategic Plan, which includes economic and financial targets and ESG factors and is focused and designed based on the fight against climate change. In this regard, it should be pointed out that the latest update of the company's strategic plan includes Endesa's action plan on climate change (Strategic Plan 2024-2026). This plan is compatible with the path to decarbonizing the Company's generation mix, while it focuses its offer to domestic and corporate customers on the value-added services and on the supply of electricity from non-emitting sources.

Short-term variable remuneration: TABLE 0 - REMUNERATION FOR EXECUTIVE DUTIES – AGREED FOR 2024 - SHORT TERM VARIABLE COMPENSATION

It is based on the recognition of each person's contribution to the fulfillment of Endesa's Strategic Plan, based on the objectives assigned to such person.

The methodology for assigning the objectives is related to the performance of both the CEO, the entity and its risk profile, as these objectives are linked to the annual budgets and company strategy. The objectives set to determine the variable remuneration of executive directors are directly related to the annual objectives of the strategic plan and value creation for the company, while contributing to the safety of people working in and for the company. The CEO contributes to the continuous monitoring of the indicators and proposes the corrective actions that enable their fulfillment, maintaining a controlled risk profile adapted to the environment.

Each target has been weighted based on its relative importance. Achievement metrics are established for each target based on their level of demand, including a minimum performance threshold below which no right to incentive payment shall arise, a target level set at 100% and a maximum level, up to 120%, for surpassing objectives.

Objectives approved by the Board for Executive Directors for fiscal year 2024:

- Economic Objective: Endesa Net Ordinary Profit (Profit of the Parent Company in the Financial Year) - 15% weighting
- Financial Objective: Endesa FCF: Free Cash Flow – 20% weighting
- Economic Objective: EBITDA – 25% weighting
- Business/Regulation Objective – 20% weighting
- Safety Objective: linked to the number of occupational accidents and the combined frequency index - 20% weighting

For fiscal year 2024, the target value of the short-term variable remuneration for the CEO is €567 thousand, and the maximum value that can be reached is 120%, which would represent an amount of €680 thousand.

Variable compensation based on the Company's profit shall be paid out once the 2025 General Shareholders' Meeting has approved the annual financial statements and, if any reservations are expressed in the external audit report, the amount of said profit shall be reduced accordingly. Additionally, and prior to the Board's approval of the performance on the short-term objectives, the Appointments and Compensation Committee, with the assistance of the Internal Audit Department, will verify compliance with the objectives and the correct application of the parameters.

The variable compensation established for Executive Directors is covered by clauses enabling payments to be deferred long enough to confirm that the objectives have been met, and are also subject to clawback clauses.

Long-term variable remuneration: TABLE 0 - REMUNERATION FOR EXECUTIVE DUTIES – AGREED FOR 2024 – LONG-TERM VARIABLE COMPENSATION

The Strategic Incentive is structured through successive three-year programs, starting every year. The incentive incorporates a deferred payment feature, and require that the Director be active at the time payment is made (unless the director is retiring or leaving the company due to termination of a fixed-term contract, in which case the director may collect on the plans completed as at the date of removal, although payment will be deferred until the applicable date, even if the director is not active in the company at that time); these payments are made in two installments: 30% of the incentive, if applicable, in the year after the plan ends, and the remaining 70%, if applicable, in the second year after termination of the plan.

The Board, at the proposal of the Appointments and Compensation Committee, shall be in charge of establishing targets and determining the achievement level thereof.

A threshold level beyond which the target is considered met and two performance levels for targets that have been overachieved is established for each target: performance beyond the first level equals 150% and performance beyond the second level constitutes maximum achievement of 180%. Therefore, variable compensation levels for each of the Programs will range from 0%-180% of the incentive base (target equals 100% achievement).

The objectives of long-term variable remuneration are aligned with the creation of shareholder value; they use the reference to Endesa's share price, the TSR (Total Shareholders Return of Endesa), ROIC-WACC and other ESG indicators, especially those related to climate change, decarbonization, and other fields such as governance, gender balance (% of female managers and middle managers).

At the end of the 2024 financial year, the outcomes of the 2022-2024 Program for the Chief Executive Officer will be determined. Likewise, and as it continues in force, we also detail the 2023-2025 Program; and finally, the 2024-2026 Plan is reported. It will be submitted to the next Ordinary General Shareholders' Meeting in 2024 for approval.

- The targets for the 2022-2024 program are the same as the previous program, but referring to the 2022-2024 three-year period and taking the 2022-2026 BIP as a benchmark. This program includes an additional target relating to gender equality (women in succession pools). The thresholds and achievement scales are attached hereto as Table 5 - 2022-2024 PROGRAM TARGET MEASURES AND THRESHOLDS.

Targets:

- 50% "Total Shareholders Return": performance of Endesa's average TSR compared to the average TSR of the Euro-Stoxx Utilities Index (Peer Group). This indicator measures the total return of a share as the sum of its components:

(i) capital gains: change in the value of the share between the beginning and the end of the reference period; and (ii) reinvested dividends: impact of all dividends paid (during the period) and reinvested in the same shares at the date of discount of each dividend. The TSR target achievement will be measured on the basis of the performance scale set forth below (using linear interpolation between the thresholds). No payment shall be made for performance falling under the minimum threshold. The thresholds and achievement scales are attached hereto as an annex.

- 25% Endesa's total cumulative "Return On Average Capital Employed" (ROACE) for the 2022-2024 period. Endesa's cumulative ROACE target represents the ratio between ordinary operating income (ordinary EBIT) and average Net Invested Capital (NIC), on a cumulative basis, during the 2022-2024 period.

-10% "Net installed capacity for renewable energy sources" calculated as the ratio between ENDESA's net installed capacity from renewable energy sources and its total cumulative net installed capacity in 2024.

-10% Reduction in CO₂ Emissions (CO₂): reduction of Endesa's specific CO₂ emissions (gCO₂ / kWh) in 2024. This indicator measures emissions of Endesa in Spain and Portugal in 2024, defined as the ratio between absolute CO₂ emissions from electricity generation by Endesa and total net production of Endesa in the relevant year. Endesa's ability to reduce its CO₂ emissions is directly linked to the thermal gap existing in the Spanish mainland's electricity system, as Endesa has a legal obligation to guarantee electricity supply. The target has been established for a 14.4 TWh thermal gap in 2024, as specified in the 2022-2024 BIP. If the effective thermal gap varies, the target for reduction in CO₂ emissions will be adjusted using a formula based on the potential scenarios in which the thermal gap could change.

- 5% (% of women in succession pools): The percentage of women in management succession pools is measured as the total number of women in managers' succession pools (Manager+Top200), divided by the total number of successors.

A threshold level beyond which the target is considered met up to 100% and two performance levels for targets that have been overachieved is established for each target: performance beyond the first level equals 150% and performance beyond the second level constitutes maximum achievement of 180%.

For the 2022-2024 program, the target value for the CEO is €518 thousand, and its maximum value can reach 180%, which would represent a maximum amount of €932 thousand.

- The targets for the 2023-2025 program are the same as the previous program, but referring to the 2023-2025 three-year period and taking the 2023-2027 BIP as a benchmark. In this program, the ROACE target is replaced with the difference between ROIC and WACC and the "Net installed capacity for renewable energy sources" target is removed, increasing the weight of the gender balance target (women in succession pools) and maintaining the CO₂ emissions targets. The thresholds and achievement scales are attached hereto as Table 6 - 2023-2025 PROGRAM TARGET MEASURES AND THRESHOLDS.

Targets:

- 50% "Total Shareholders Return": performance of Endesa's average TSR compared to the average TSR of the Euro-Stoxx Utilities Index (Peer Group). This indicator measures the total return of a share as the sum of its components:

(i) capital gains: change in the value of the share between the beginning and the end of the reference period; and (ii) reinvested dividends: impact of all dividends paid (during the period) and reinvested in the same shares at the date of discount of each dividend. The TSR target achievement will be measured on the basis of the performance scale set forth below (using linear interpolation between the thresholds). No payment shall be made for performance falling under the minimum threshold.

- 30% "Return on Invested Capital – Weighted Average Cost of Capital" (ROIC -WACC) 2023-2025 period. Endesa's cumulative ROIC-WACC target represented by the ratio between the NOPAT (ordinary EBIT with no tax impact) and Net Capital Invested (NCI), on a cumulative basis, during the 2023-2025 period.

-10% Reduction in CO₂ Emissions (CO₂): reduction of Endesa's specific CO₂ emissions (gCO₂ / kWh) in 2025. This indicator measures emissions of Endesa in Spain and Portugal in 2025, defined as the ratio between absolute CO₂ emissions from electricity generation by Endesa and total net production of Endesa in the relevant year. Endesa's ability to reduce its CO₂ emissions is directly linked to the thermal gap existing in the Spanish mainland's electricity system, as Endesa has a legal obligation to guarantee electricity supply. The target has been established for a 10.5 TWh thermal gap in 2025, as specified in the 2023-2025 BIP. If the effective thermal gap varies, the target for reduction in CO₂ emissions will be adjusted using a formula based on the potential scenarios in which the thermal gap could change.

- 10% (% of women in succession pools): The percentage of women in management succession pools is measured as the total number of women in managers' succession pools (Manager+Top200), divided by the total number of successors.

A threshold level beyond which the target is considered met up to 100% and two performance levels for targets that have been overachieved is established for each target: performance beyond the first level equals 150% and performance beyond the second level constitutes maximum achievement of 180%. For the 2023-2025 program, the target value for the CEO is €518 thousand, and its maximum value can reach 180%, which would represent a maximum amount of €932 thousand.

- The targets for the 2024-2026 program are the same as the previous program, but referring to the 2024-2026 three-year period and taking the 2024-2026 BIP as a benchmark. In this program, the target relating to gender balance (women in succession pools) is replaced by one relating to the percentage of women in manager and middle manager positions. In addition, it reduces the weight of the TSR target and increases that of carbon emissions. The thresholds and achievement scales are attached hereto as Table 7 - 2024-2026 PROGRAM TARGET MEASURES AND THRESHOLDS.

Targets:

- 45% "Total Shareholders Return": performance of Endesa's average TSR compared to the average TSR of the Euro-Stoxx Utilities Index (Peer Group). This indicator measures the total return of a share as the sum of its components:

(i) capital gains: change in the value of the share between the beginning and the end of the reference period; and (ii) reinvested dividends: impact of all dividends paid (during the period) and reinvested in the same shares at the date of discount of each dividend. The TSR target achievement will be measured on the basis of the performance scale set forth below (using linear interpolation between the thresholds). No payment shall be made for performance falling under the minimum threshold.

- 30% "Return on Invested Capital – Weighted Average Cost of Capital" (ROIC -WACC) 2024-2026 period. Endesa's cumulative ROIC-WACC target represented by the ratio between the NOPAT (ordinary EBIT with no tax impact) and Net Capital Invested (NCI), on a cumulative basis, during the 2024-2026 period.

-15% Reduction in CO₂ Emissions (CO₂): reduction of Endesa's specific CO₂ emissions (gCO₂ / kWh) in 2026. This indicator measures emissions of Endesa in Spain and Portugal in 2026, defined as the ratio between absolute CO₂ emissions from electricity generation by Endesa and total net production of Endesa in the relevant year. Endesa's ability to reduce its CO₂ emissions is directly linked to the thermal gap existing in the Spanish mainland's electricity system, as Endesa has a legal obligation to guarantee electricity supply. The target has been established for a 9.2 TWh thermal gap in 2026, as specified in the 2024-2026 BIP. If the effective thermal gap varies, the target for reduction in CO₂ emissions will be adjusted using a formula based on the potential scenarios in which the thermal gap could change.

- 10% (% of female managers and middle managers): The percentage of female managers and middle managers is determined by dividing the total number of female managers and middle managers by the total number of managers and middle managers at ENDESA in 2026.

A threshold level beyond which the target is considered met up to 100% and two performance levels for targets that have been overachieved is established for each target: performance beyond the first level equals 150% and performance beyond the second level constitutes maximum achievement of 180%. For the 2024-2026 program, the target value for the CEO is €518 thousand, and its maximum value can reach 180%, which would represent a maximum amount of €932 thousand.

Ex-post control of short and long-term variable compensation: a "malus" clause was implemented, authorizing the company to withhold payments of any accrued and outstanding variable compensation, as well as a clawback clause requiring directors to return any variable compensation received when following payment of the incentive it is found that the data used for such calculation or payment was clearly erroneous.

- The Appointments and Compensation Committee may submit a proposal to the Board for nonpayment or request reimbursement of variable components if it is subsequently determined that payments were based on data that was clearly erroneous.

A1.7. Main characteristics of long-term savings schemes.

Among other information, indicate the contingencies covered by the scheme, whether it is a defined contribution or a defined benefit scheme, the annual contribution that has to be made to defined contribution schemes, the benefits to which directors are entitled in the case of defined benefit schemes, the vesting conditions of the economic rights of directors and their compatibility with any other type of payment or indemnification for early termination or dismissal, or deriving from the termination of the contractual relationship, in the terms provided, between the company and the director.

Indicate whether the accrual or vesting of any of the long-term savings plans is linked to the attainment of certain objectives or parameters relating to the director's short- or long-term performance.

Non-Executive Directors do not participate in any long-term savings systems.

Mr Bogas is a beneficiary of a Supplemental Social Welfare System to cover the contingencies of retirement, disability and death.

- Retirement:

That system is implemented through contributions to the "Endesa Group Employees' Pension Plan" in which the executive is a participant depending on which company they were hired by and when, and additional contributions made to an insurance policy or similar instrument for that purpose.

For 2024, the Company maintains its commitment relative to Mr. Bogas's defined benefit, by which he will receive an annual, constant lifetime annuity when he steps down as Chief Executive Officer for any reason, for an estimated annual amount of €943 thousand. In previous years, an estimated amount of €898 thousand per year of his annuity payable in 2023 had been provided. Nevertheless, in light of Mr. Bogas' reappointment in 2022, and the consequent deferment of his retirement, and in accordance with the Compensation Policy, it has been estimated that his annuity will become payable from 30 April 2023. Each year until Mr. Bogas' effective retirement, this amount will be updated and disclosed in the Annual Report on Directors' Compensation. This amount will be reduced by his state pension from the social security and his pension plan benefits, and 45% of the income he receives will revert to his surviving spouse in the event of his post-retirement death, minus the social security widow's benefit.

The estimated annual amount of the commitment defined in the preceding paragraph shall be realized on the effective date of Mr. Bogas' retirement. The rights of the beneficiary accrue thereto at the time of the contribution.

This scheme is separate from and compatible with the compensation conditions referred to in the following section.

- Death:

Regarding the coverage for death, Endesa has signed a life and accident insurance policy which guarantees certain capital and/or income depending on the contingency in question.

Coverage of disability or death and of retirement are exclusive benefits, i.e. in the event of death or disability prior to effective retirement, the director, in the case of disability, or their beneficiaries, in the case of death, shall receive the benefits specified for such events, without this representing any right to receive retirement benefits.

- Long-term savings plans are not linked to the attainment of certain objectives or parameters relating to the director's short- or long-term performance.

A1.8. Any type of payment or indemnification for early termination or dismissal, or deriving from the termination of the contractual relationship, in the terms provided, between the company and the director, whether at the company's or the director's initiative, as well as any type of agreement reached, such as exclusivity, post-contractual non-competition, minimum contract term or loyalty, that entitles the director to any kind of remuneration.

Conditions for Chief Executive Officer:

The contract signed with the Chief Executive Officer does not provide for compensation for dismissal from office.

Notwithstanding the foregoing and based on the contractual framework for Mr. Bogas, approved by the Board of Directors in early 2020, which modified the time at which the entitlement to "guaranteed compensation or indemnity" can be triggered prior to reaching 65 years of age, and which now has been postponed up to the time he ceases to be the Chief Executive Officer for any reason, when the Chief Executive Officer ceases to hold this position, his previous relationship will be automatically terminated i.e., his senior management contract, currently suspended since his appointment as CEO, in which case, due to the termination of such senior management employment, Mr. Bogas will be entitled to receive a net amount of €7,575 thousand, this amount being the result of reducing the gross severance payment vested by the amount of the withholdings on account of personal income tax and, where appropriate, the Social Security contributions applicable on the payment date. This amount will be updated upwards according to the CPI of the previous year.

This compensation is incompatible with any other indemnity payment that may arise from termination of his/her employment as director. This net amount of €7,575 thousand includes the two-year post-contractual non-competition covenant provided in the CEO's senior management contract.

This indemnity or guaranteed compensation is compatible with the defined benefit saving scheme for the CEO. The termination in the event of death or retirement recognizes the right of the CEO or its assignees to the guaranteed compensation.

A1.9. Indicate the conditions that the contracts of executive directors performing senior management functions should contain. This should include information on duration, limits on compensation amounts, tenure clauses, notice periods, and payment in lieu of the aforementioned notice period, and any other clauses on hiring bonuses, as well as on severance payments or golden parachutes for the early termination of the contractual relationship between the company and the executive director. Include, among others, the pacts or agreement on non-competition, exclusivity, minimum contract terms and loyalty, and post-contractual non-competition, unless these have been explained in the previous section.

Executive Director contracts are indefinite. They generally include confidentiality, document return, termination and non-competition clauses in the following terms:

1. Confidentiality: the Director commits and undertakes to maintain strict confidentiality of all data and information on Endesa available to the Director by virtue of his/her position in the Company and further undertakes to neither use nor take advantage of said information whether for him/herself or on behalf of third parties.

2. Return of Documents: upon termination of his/her employment, the Director shall return to the Company all books, documents, materials and other assets related to his/her activity which may currently be under his/her authority, possession, or control.

3. Termination: In the case of the CEO, the termination of the contract requires a minimum of one month's notice. The contract signed with the Chief Executive Officer does not provide for compensation for dismissal from office. Notwithstanding the foregoing, when the Chief Executive Officer resigns, their previous relationship – his senior management contract, suspended since his appointment as CEO – will be automatically terminated, in which case, through the termination of his executive management relationship, Mr. Bogas will be entitled to receive a net amount of €7,575 thousand, this sum being the result of reducing the gross severance payment consolidated by the amount of withholdings on account of personal income tax and, where appropriate, the Social Security contributions applicable on the payment date. This amount will be updated upwards according to the CPI of the previous year.

This compensation is incompatible with any other indemnity payment that may arise from termination of his/her employment as director. This net amount of €7,575 thousand includes the two-year post-contractual non-competition covenant provided in the CEO's senior management contract.

This indemnity or guaranteed compensation is compatible with the defined benefit saving scheme for the CEO. The termination in the event of death or retirement recognizes the right of the CEO or its assignees to the guaranteed compensation.

4. Settlement of wages: the severance payments described in section 3 above are without prejudice to the settlement of wages accrued by the Executive Director over the period of his/her directorship, the respect of any pension-related entitlements, including the contribution for the year of the termination.

5. Post-contractual non-competition covenant: Specifically, in the case of termination of the CEO's employment, the conditions set forth in their contract include a post-contractual non-competition clause with a term of two years, with the compensation included in the severance payment for senior management contractual termination referred to above.

A1.10. The nature and estimated amount of any other supplementary remuneration that will be accrued by directors in the current year in consideration for services rendered other than those inherent in their position.

N/A

A1.11. Other items of remuneration such as any deriving from the company's granting the director advances, loans or guarantees or any other remuneration.

Endesa has a system of loans established for its senior managers to purchase their main home or for other needs. In addition, the executive directors and, in general, the Senior Executives can benefit from both types of loans.

As of the date of this report, the Chief Executive Officer has an interest-bearing loan and an interest-free loan. Both loans are included in section A.1, item 5, as remuneration in kind. The loan terms and conditions are described in section B.13.

Additionally, the Chief Executive Officer, based on the agreements prior to his status as Executive Director, has acquired rights, as severance payment, created by way of a guarantee, as described in section A.1, item 8.

A1.12. The nature and estimated amount of any other planned supplementary remuneration to be accrued by directors in the current year that is not included in the foregoing sections, whether paid by the company or by another group company.

N/A

A.2. Explain any significant change in the remuneration policy applicable in the current year resulting from:

- a) A new policy or an amendment to a policy already approved by the General Meeting.
- b) Significant changes in the specific determinations established by the board for the current year regarding the remuneration policy in force with respect to those applied in the previous year.
- c) Proposals that the Board of Directors has agreed to submit to the general shareholders' meeting to which this annual report will be submitted and for which it is proposed that they be applicable to the current year.

Endesa's General Shareholders' Meeting, held on 29 April 2022, approved Endesa's 2022-2024 Directors Compensation Policy, which will remain in effect until no later than 31 December 2024.

Under current legislation, proposed new director compensation policies must be submitted to the General Shareholders' Meeting before the end of the last year in which the existing policy is applicable, and the General Meeting may resolve that the new policy will be applicable starting at the date on which it is approved and for the following three years. Accordingly, a new policy shall be submitted to the upcoming 2024 Endesa General Shareholders' Meeting for approval.

Endesa's proposed new Directors Compensation Policy for 2024-2027, which shall be submitted to the 2024 General Meeting, does not modify the general compensation principles or the compensation structure established in the Endesa Directors Compensation Policy 2022-2024, but rather merely:

i. Reflects the updates made in 2023 by the Board in its area of competence, in accordance with Endesa's Directors Compensation Policy. Specifically, the new policy updates the remuneration of the chairmen of the Board committees and the fixed remuneration of the Chief Executive Officer, which were approved at the 2023 General Shareholders' Meeting in a binding vote on the Annual Report on Directors' Compensation 2022, at the proposal of the Board and following a report received from the Appointments and Compensation Committee.

The compensation review was carried out with the support of the external consultant Ernst & Young Abogados, S.L.P., which conducted a benchmark analysis on the compensation of Endesa's directors to ascertain market conditions and ensure that remuneration is aligned with the Company's situation and strategy and with the criteria that determine the compensation and employment conditions of the Company's employees, assessing the contribution to the long-term value creation and to suitable risk control and management.

In particular, the adjustment of the Chief Executive Officer's fixed remuneration was in line with the practice followed with Endesa's executives and employees, by 4.1666%, thus raising his annual fixed gross remuneration by €40,000.

- a) Increasing the fixed remuneration of the Appointments and Compensation Committee chairman from €24,000 per year to €36,000 per year, starting in January 2023.
- b) Increasing the fixed remuneration of the Sustainability and Governance Committee chairman from €24,000 per year to €36,000 per year, starting in January 2023.
- c) Increasing the fixed remuneration of the Audit and Compliance Committee chairman from €36,000 per year to €60,000 per year, starting in January 2023.
- d) Adjusting the Chief Executive Officer's fixed remuneration, in line with the practice followed with Endesa's executives and employees, by 4.1666%, thus raising his annual fixed gross remuneration by €40,000, to €1,000,000. This adjustment will take effect as of January 2023.

ii. Reflects the adjustment to the amounts relative to the CEO's long-term savings system and his severance pay in the event of the termination of his senior-management work relationship, which is currently suspended. As with the preceding item, these adjustments are also reported upon and a binding vote is taken on them each year at the General Shareholders' Meeting.

iii. Introduces other drafting or technical improvements.

A.3 Identify the direct link to the document containing the company's current remuneration policy, which must be available on the company's website.

<https://www.endesa.com/es/accionistas-e-inversores/gobierno-corporativo/remuneraciones-consejeros>

A.4 Explain, taking into account the data provided in Section B.4, how account has been taken of the voting of shareholders at the General Shareholders' Meeting to which the annual report on remuneration for the previous year was submitted on a consultative basis.

Since 2017, Endesa's Board of Directors proposes to the General Shareholders' Meetings a vote on the Annual Report on Directors' Compensation on a binding basis and not on an advisory basis, as indicated by current regulations. In this regard, it should be noted that this question A.4 arises precisely because companies generally vote on their annual remuneration reports on an advisory basis, but Endesa does so on a binding basis (as for the rest of the agenda items).

However, the data for the vote on the 2022 annual report on directors' compensation at the 2023 General Meeting show 96.49% of the number of votes in favor (97.34% in 2022, for the 2023 remunerations report). Each year Endesa endeavors to progress and align with the best Corporate Governance practices. In order to improve the results as much as possible, the following measures have been adopted:

- Sustainability and Governance Committee:

· Analyze the results of the votes of the Board in order to attempt to identify and understand the reasons for votes against by some shareholders. To this end, and firstly, as part of the measures, an attempt is made to identify nonresident shareholders who take part in a vote, so as to contact them and know their reasons for voting against the proposals, or to know their voting policies, if public. It is important to note the difficulty in —or in a high percentage of cases, the impossibility of— identifying at the time of the Meeting the shareholders and investors participating at it; for this reason, the immediate identification of the shareholders participating at the Meeting has become a priority for the Committee.

- Appointments and Compensation Committee:

· Hiring of the independent consultant Ernst & Young, which has verified the result of compliance with the short- and long-term variable compensation accrued in 2023, in accordance with corporate governance best practices with respect to remuneration and with the Spanish Securities Market Commission's (CNMV) Technical Guidelines 1/2019 on appointments and compensation committees.

· Improvements in the format and explanation of information in the Annual Compensation Report 2023.

B. OVERALL SUMMARY OF HOW REMUNERATION POLICY WAS APPLIED DURING THE YEAR LAST ENDED

B.1.1 Explain the process followed to apply the remuneration policy and determine the individual remuneration contained in Section C of this report. This information will include the role played by the remuneration committee, the decisions taken by the Board of Directors and the identity and role of any external advisors whose services may have been used in the process of applying the remuneration policy in the year last ended.

The remuneration of the Directors during FY 2023 was governed by the strict application of the general principles and the remuneration structure laid down in Endesa's Directors Compensation Policy 2022-2024.

Nevertheless, as noted in section A of the Annual Report on Directors' Compensation 2022, the Appointments and Compensation Committee, for FY 2023, as it does each year, conducted a benchmark on director compensation. The compensation analysis was carried out with the support of the external consultant Ernst & Young Abogados, S.L.P., which conducted a benchmark analysis on the compensation of Endesa's directors to ascertain market conditions and ensure that remuneration is aligned with the Company's situation and strategy and with the criteria that determine the compensation and employment conditions of the Company's employees, assessing the contribution to the long-term value creation and to suitable risk control and management.

In light of the conclusions of this analysis, the Appointments and Compensation Committee proposed the following measures to the Board of Directors, which approved them within its scope of competence and in accordance with Endesa's Director Compensation Policy:

- a) Increasing the fixed remuneration of the Appointments and Compensation Committee chairman from €24,000 per year to €36,000 per year, starting in January 2023.
- b) Increasing the fixed remuneration of the Sustainability and Governance Committee chairman from €24,000 per year to €36,000 per year, starting in January 2023.
- c) Increasing the fixed remuneration of the Audit and Compliance Committee chairman from €36,000 per year to €60,000 per year, starting in January 2023.
- d) Adjusting the Chief Executive Officer's fixed remuneration, in line with the practice followed with Endesa's executives and employees, by 4.1666%, thus raising his annual fixed gross remuneration by €40,000, to €1,000,000. This adjustment took effect as of January 2023.

Lastly, it should be noted that the Appointments and Compensation Committee, with internal advice from the Company has prepared and submitted to the Board of Directors this Directors Compensation Report, which includes the amounts received or which may be received in relation to their status as Directors and, as the case may be, for carrying out executive duties. The Appointments and Compensation Committee has verified the data in this Report, with the support of the Audit Department of Endesa. In addition, the result of compliance with the short- and long-term variable compensation accrued in 2023 was verified by an independent third-party, Ernst & Young, in accordance with corporate governance best practices with respect to remuneration and with the Spanish Securities Market Commission's (CNMV) Technical Guidelines 1/2019 on appointments and compensation committees.

B.1.2. Explain any deviation from the procedure established for the application of the remuneration policy that has occurred during the year.

N/A

B.1.3 Indicate whether any temporary exception has been applied to the remuneration policy and, if so, explain the exceptional circumstances that have led to the application of these exceptions, the specific components of the remuneration policy affected and the reasons why the entity believes that these exceptions have been necessary to serve the long-term interests and sustainability of the society as a whole or ensure its viability. Similarly, quantify the impact that the application of these exceptions has had on the remuneration of each director over the year.

N/A

B.2. Explain the different actions taken by the company in relation to the remuneration system and how they have contributed to reducing exposure to excessive risks, aligning it with the long-term objectives, values and interests of the company, including a reference to the measures adopted to ensure that the long-term results of the company have been taken into consideration in the remuneration accrued. Ensure that an appropriate balance has been attained between the fixed and variable components of the remuneration, the measures adopted in relation to those categories of personnel whose professional activities have a material effect on the company's risk profile and the measures in place to avoid any possible conflicts of interest.

The compensation policy applicable to the Board of Directors is based on the principles of balance, effective dedication of the Board and alignment with the long-term strategies and interests of Endesa and its shareholders.

- The remuneration of non-executive Directors consists of a fixed monthly allocation and an attendance allowance, without any items of variable remuneration. This is why the concept of "compensation mix" only refers to the executive Directors. The remuneration of the Directors in their capacity as such is aimed at, as regards remuneration of directors for their condition as such, adequately compensating Directors in accordance with the principles of equality, dedication and responsibility, provided said remuneration shall under no circumstances compromise their independence of opinion, and also in accordance with the economic situation of the Company and the market standards with comparable companies. In this regard, the maximum annual remuneration to be paid to the Directors in terms of attendance allowances, fixed monthly allocation, membership on the Board of Directors and chairmanship of the Board of Directors and its Committees was approved and set by the Annual General Shareholders' Meeting held on 5 May 2020 at €4 million.

- The compensation structure for the Chief Executive Officer in FY 2023 guaranteed an adequate mix between fixed compensation, ordinary variable compensation and long-term variable compensation. The balance in the compensation mix does not provide any incentive for assuming too many risks. TABLE 0 - REMUNERATION FOR EXECUTIVE DUTIES. VARIABLE COMPENSATION DEGREE OF ACHIEVEMENT 2023. Specifically:

Chief Executive Officer's compensation mix: The weighting of fixed remuneration represented 50.63%, short-term variable remuneration 26.58% and long-term variable remuneration 22.79%. In other words, the variable remuneration of the CEO in 2023 represented approximately 49.37% of his total remuneration.

- The ordinary or short-term variable remuneration for fiscal year 2023 has been determined using five metrics, based on quantitative financial, performance, effectiveness, business and occupational safety indicators. The specific objectives determined for each of these metrics were designed considering the 2023-2025 Strategic Plan of Endesa and, in this sense, guaranteed that the Company's long-term performance and objectives are taken into account. This means that remuneration is in line with the Company's risks.

- The long-term variable remuneration for fiscal year 2023 uses four metrics, based on quantitative performance, shareholder return, environmental or climate-change and CO₂ reduction indicators. The specific objectives set for each of these metrics were designed considering the 2021-2023 Strategic Plan of Endesa and focused on the long term or sustainability, from the perspective of the Company's and shareholder return objectives. This means that remuneration is in line with Company's risks.

- The Board of Directors, at the proposal of the Appointments and Compensation Committee, is in charge of establishing the targets and their weighting and metrics at the beginning of each fiscal year, as well as for assessing compliance with targets at the end of the year. In this task of assessing the fulfillment of the short and long term objectives, the Appointments and Compensation Committee will perform its function of verifying the remuneration information of the Directors with the support of the General Audit Department, which will make an analysis and issue a conclusion on the fulfillment of the short- and long-term objectives of the executive directors and will ensure the absence of conflicts of interest in determining the achievement level of said objectives.

It should also be noted that the Appointments and Compensation Committee consists of five members, four of whom are independent Directors, one being the Chairman of this Committee. Three members of the Committee are also members of the Audit and Compliance Committee. The overlap in membership of such three members on these two Committees ensures that compensation-related risks are considered during Committee discussions and in Committee proposals to the Board as regards both establishing and assessing annual and multi-annual incentives.

- As regards short and long-term variable compensation, a "malus" clause will be implemented, authorizing the company to withhold payments of any accrued and outstanding variable compensation, as well as a clawback clause requiring Directors to return any variable compensation received when following payment of the incentive it is found that the data used for such calculation or payment was erroneous. The variable remuneration for fiscal year 2023 is related to the performance of the Company, so it will be paid, as the case may be, once the 2023 annual financial statements have been approved by the next General Shareholders' Meeting.

The Appointments and Compensation Committee may submit a proposal to the Board of Directors for it to request reimbursement of variable components if it is subsequently determined that payments were based on data that was clearly erroneous.

Payment of the long-term remuneration accrued in 2023 (2021-2023 Loyalty Plan) is to be deferred. Specifically, 30% of the incentive will be paid in 2024, and the remaining 70% in 2025. For the purpose of payment, it will be necessary for the Executive Director to be active (only in case of retirement or termination of a fixed-term contract is payment envisaged for completed incentives for which payment is pending, with such payment being made on the date originally established).

B.3. Explain how the remuneration accrued and consolidated over the financial the year complies with the provisions of the current remuneration policy and, in particular, how it contributes to the company's long-term and sustainable performance.

Furthermore, report on the relationship between the remuneration obtained by the directors and the results or other performance measures of the company in the short and long term, explaining, if applicable, how variations in the company's performance have influenced changes in directors' remuneration, including any accrued remuneration payment of which has been deferred, and how such remuneration contributes to the short- and long-term results of the company.

The remuneration accrued during fiscal year 2023 complies with the provisions of the Endesa Directors Compensation Policy 2022-2024, as shown in this section B, and specifically in sections B.1, B.5, B.6 and B.7.

Both short- and long-term targets are linked to variables that are related to their performance and to financial and non-financial factors, all of them aligned with the Company's Strategic Plan, which includes ESG factors, and which has been focused and designed based on the fight against climate change. In this regard, it should be pointed out that the company's strategic plan includes Endesa's action plan on climate change.

- The methodology for assigning the objectives is related to the performance of both the CEO and the entity and its risk profile, as these objectives are linked to the annual budgets and strategy of the company. Ordinary or short-term variable remuneration for 2023 is geared towards achieving the targets established in the strategic plan, and in addition to the business objectives, the safety of all workers is established as one of the main objectives. This short-term variable remuneration scheme uses five metrics, based on quantitative indicators, three financial metrics related to profit and cash, one business indicator and one occupational safety indicator. The specific objectives determined for each of these criteria have been designed considering the 2023-2025 Strategic Plan of Endesa and, in this sense, it is guaranteed that the Company's performance and objectives for the fiscal year are taken into account.

Short-term variable remuneration based on the Company's results shall be paid out once the General Shareholders' Meeting has approved the annual financial statements for the financial year being remunerated and, if the external audit report contains any qualifications, the results shall be reduced accordingly.

- Long-term variable remuneration is established as a tool that relates the remuneration of the executive director, as well as that of managers with strategic responsibilities in the company, whose main purposes include to reward their contribution to sustainable compliance with the Strategic Plan, to ESG, Environmental (climate change, reduction of emissions, decarbonisation, etc.) and shareholder value objectives. The long-term variable remuneration for fiscal year 2023 uses four metrics, based on quantitative indicators of performance, shareholder return, environmental and energy transition or climate-change and gender balance.

The specific objectives set for each of these metrics have been designed considering the 2023-2025 Strategic Plan of Endesa, focusing specifically on the sustainability, Company/profit and shareholder return objectives.

As regards long-term compensation, since 2014, the plans provide for deferred payment and require that the Director be active at the time payment is made; these payments are made in two installments: 30%, if applicable, in the year after the plan ends, and the remaining 70%, if applicable, two years after termination of the plan. Only in case of retirement or termination of a fixed-term contract is payment envisaged for completed incentives for which payment is pending, with such payment being made on the date originally established.

B.4. Report on the result of the consultative vote at the General Shareholders' Meeting on remuneration in the previous year, indicating the number of votes in favour, votes against, abstentions and blank ballots:

| | Number | % of total |
|------------|-------------|------------|
| Votes cast | 899,710,691 | 84.98 |

| | Number | % of votes cast |
|-----------------|-------------|-----------------|
| Votes against | 23,268,481 | 2.59 |
| Votes in favour | 875,914,445 | 97.34 |
| Blank ballots | 1,168 | 0.00 |
| Abstentions | 526,597 | 0.06 |

Observations

B.5 Explain how the fixed components accrued and vested during the year by the directors in their capacity as such were determined, their relative proportion with regard to each director and how they changed with respect to the previous year.

Directors shall be entitled to the following compensation based on their condition as such: a monthly fixed allocation and attendance allowances for each meeting of the governing bodies of the Company and its Committees.
Fixed allocation:

- The Members of the Board of Directors received a fixed gross monthly allocation of €15,642.56, i.e., €187.7 thousand gross per year.

- The non-executive Chairman of the Board of Directors received a monthly fixed amount of 50,000 euros (gross) (instead of the monthly fixed allocation of 15,642.56 (gross) provided for other members), i.e., €600 thousand gross per year.

- The Chairman of the Audit and Compliance Committee received a monthly fixed allocation of €5,000 (gross) (in addition to the monthly fixed allocation as Board member), i.e., €60 thousand gross per year in 2023, compared to a monthly fixed allocation of €3,000 (gross) i.e., €36 thousand gross per year in 2022. And the Chairmen of the Appointments and Compensation Committee and the Sustainability and Governance Committee received a monthly fixed allocation of €3,000 (gross) (in addition to their monthly fixed allocation as Board members), i.e., €36 thousand gross per year in 2023, compared to a monthly fixed allocation of €2,000 (gross), i.e., €24 thousand gross per year in 2022.

The changes in the allocations of the committee chairmen were determined in 2023 through a resolution of the Board, on a proposal from the Appointments and Compensation Committee and based on the benchmark conducted by the external consultant Ernst & Young on the compensation of Endesa directors, and with the binding approval of the Endesa's General Shareholders' Meeting of the Annual Directors' Compensation Report 2022, which detailed these changes for 2023.

Per diem allowances:

- The concept and amount of the "Attendance allowances" have not been modified since fiscal year 2013; the only variations affect the number of sessions and the attendance rate of each of the Directors. In fiscal year 2023, a total of 176 per diem allowances were accrued. The amount for attending each session of the Board of Directors, Auditing and Compliance Committee and Appointments and Compensation Committee amounts to €1.5 thousand gross.

- Directors Bogas, Cattaneo, De Angelis, Armani, Gostinelli, Starace, De Paoli and Cammisecra have waived their right to compensation arising from their status as Directors.

- The Appointments and Compensation Committee has verified this information, with the support of the Audit Department of Endesa.

B.6 Explain how the salaries accrued and vested by each of the executive directors over the past financial year for the performance of management duties were determined, and how they changed with respect to the previous year.

In 2023, Mr. José Damián Bogas Gálvez's gross annual fixed compensation, for his performance of senior management functions as CEO, was increased by 4.1666%. The increase, which came to 40 thousand euros, and which brought his total gross fixed compensation for 2023 to 1,000 thousand euros (960 thousand euros in 2022), was proposed by the Appointments and Compensation Committee to the Board of Directors, in a manner consistent and in line with the practice followed with respect to compensation of Endesa executives and employees, as a result of the economic environment of high global inflation, as well as based on the conclusions of the benchmarking study conducted by the external consultant Ernst & Young Abogados, S.L.P., which concluded that an adjustment of about 4.5% to the CEO's fixed compensation could be contemplated.

B.7. Explain the nature and the main characteristics of the variable components of the remuneration systems accrued and vested in the year last ended.

In particular:

- a) Identify each of the remuneration plans that determined the different types of variable remuneration accrued by each of the directors in the year last ended, including information on their scope, date of approval, date of implementation, any vesting conditions that apply, periods of accrual and validity, criteria used to evaluate performance and how this affected the establishment of the variable amount accrued, as well as the measurement criteria used and the time needed to be able to adequately measure all the conditions and criteria stipulated, explaining the criteria and factors applied in regard to the time required and the methods of verifying that the performance or any other kind of conditions linked to the accrual and vesting of each component of variable remuneration have effectively been met.
- b) In the case of share options and other financial instruments, the general characteristics of each plan must include information on the conditions both for acquiring unconditional ownership (vesting) of these options or financial instruments and for exercising them, including the exercise price and period.
- c) Each director that is a beneficiary of remunerations systems or plans that include variable remuneration, and his or her category (executive director, external proprietary director, external independent director or other external director).

- d) Where appropriate, information is to be provided on any periods for accrual or deferment of payment applied and/or the periods for retention/unavailability of shares or other financial instruments, if any.

Explain the short-term variable components of the remuneration systems:

At Endesa, short-term variable remuneration is managed based on the recognition of the contribution of each person to the Company's results according to the targets assigned and subsequent measurement of the results obtained according to the Company's guidelines.

In February 2023, the Board of Directors, following the Report of the Appointments and Compensation Committee, approved the coordination of the objectives of the CEO for the year 2023, which were linked to the Company's Strategic Plan, through indicators relating to the Company's profit and the short-term performance of its business.

The assessment of these objectives was approved by the Board of Directors at the proposal of the Appointments and Compensation Committee at its meeting on 27 February 2024, taking into account, in the application of the criteria established, the Company's decision to not go through with the sale of LNG long-term contracts. In this regard, performance levels for 2023 targets are as follows:

- Economic Objective: Net Profit of Parent Company in the Financial Year (15% weighting). Final achievement for the year was 19% higher than the expected value as per target, and thus the achievement degree for this target met the maximum level of 120%.

- Financial Objective: FFO (cash flow before dividends, extraordinary transactions and net investments) 20% weighting). Final achievement for the year was better than the expected value as per target by 19.2%, and thus the achievement degree for this target met the achievement level of 120%.

- Economic Objective: Integrated margin: linked to the management of the Integrated Margin (25% weighting). Final achievement for the year was 3.29% higher than the expected value as per target, and thus the achievement degree for this target met the maximum level of 120%.

- Business Objective (20% weighting). The result as at year end was an overachievement level for this goal, with a 103.41% value.

- Safety Objective: linked to the number of occupational accidents and the combined frequency index (20% weighting). This objective was met in 2023, and thus the performance degree for the target was 0%.

The values for fiscal year 2023 targets, together with the weighting of each target, provide an overall weighted performance of 92.68% out of a maximum of 120%. TABLE 0 - REMUNERATION FOR EXECUTIVE DUTIES. VARIABLE COMPENSATION DEGREE OF ACHIEVEMENT 2023.

Based on the criteria set forth in the instructions to this Report, in financial year 2023, as at the end date of the accrual period for short-term variable compensation, the CEO accrued the amounts indicated in the "Short-Term Variable Remuneration" column of the table in Section C.1.a.i). This compensation was approved by the Board at the proposal of the Appointments and Compensation Committee, although said compensation will not be paid out until the upcoming General Shareholders' Meeting has approved the annual financial statements.

The result of compliance with the short-term variable compensation accrued in 2023 was verified by the Audit Department of Endesa, in accordance with the Company's internal procedures, and also by an independent third-party, Ernst & Young, in accordance with corporate governance best practices with respect to remuneration and with the Spanish Securities Market Commission's (CNMV) Technical Guidelines 1/2019 on appointments and compensation committees.

Explain the long-term variable components of the remuneration systems:

Long-term variable compensation at Endesa is set out in the so-called Strategic Incentive, the main goal of which is to strengthen the commitment of employees holding high-responsibility positions to achieving the Group's strategic objectives.

Two overachievement levels are established for each target: performance beyond the first level equals 150% and performance beyond the second level constitutes maximum achievement of 180%. Therefore, variable compensation levels for each of the Programs will range from 0%-180% of the incentive base (target equals 100% achievement).

A) The 2021-2023 Strategic Incentive was approved at the General Shareholders' Meeting held on 30 April 2021. At the end of the 2024 financial year, the Appointments and Compensation Committee assessed the achievement levels of the 2021-2023 Strategic Incentive (Table 4- 2021-2023 PROGRAM TARGET MEASURES AND THRESHOLDS), with an amount of €233 thousand being accrued for the CEO.

- Assessment of the target for "Total Shareholders Return" (TSR) with a weighting of 50%.

Endesa's average "TSR" for the 2021-2023 three-year period was calculated, according to the Regulation, as the average TSR of the three-month periods preceding the beginning (1/10/2020-31/12/2020) and expiration (1/10/2023-31/12/2023) of the accrual period. The average figure for the period stands at 3.04%, compared with the benchmark Euro-Stoxx Utilities SX6E index, which has a cumulative average TSR of 16.37%. This means that Endesa's average TSR was 18.6% compared to the average TSR for the Euro-Stoxx Utilities Index, and is therefore less than 100%. Consequently, the achievement level for the TSR target (with a weighting of 50% in the Plan) is 0.0%.

- Assessment of the "Return On Average Capital Employed" target, with a 25% weighting. ENDESA's cumulative ROACE target is based on the ratio between its ordinary operating income (ordinary EBIT) and average Net Invested Capital (NIC), on a cumulative basis, during the 2021-2023 period

Specifically for this target, a Budget compliance level of 43.9 was established, a first level of overachievement if cumulative ROACE reached 44.6% and a second level of overachievement of 180% for a cumulative ROACE of 45.3% or higher. ENDESA's cumulative ROACE in the period reached 55.8%, and thus the target is considered met at 180.0%. Consequently, the achievement level for the cumulative ROACE target (with a weighting of 25% in the Plan) is 180%.

- Net installed capacity for renewable energy sources, with a 15% weighting. This target is calculated as the ratio between ENDESA's net installed capacity for renewable energy sources and total cumulative net installed capacity in 2023.

Specifically for this target, a Budget compliance level of 50.3% was established, with a first level of overachievement of 50.6% and a second level of overachievement of 180% if net installed capacity for renewable energy sources reached 50.8%. ENDESA's net installed capacity for renewable energy sources in this period reached 46.6%. Consequently, the achievement level for this target is 0%.

- Assessment of the "Reduction in CO₂ emissions" target, with a 10% weighting.

Specific CO₂ emissions of Endesa in Spain and Portugal in 2023 (defined as the ratio between absolute CO₂ emissions from electricity generation by Endesa and total net production of Endesa during the year) were 192 gCO₂/ kWh. Additionally, the target was established for a thermal gap of 32 TWh in 2023 (as specified in the 2021-2023 BIP). Currently, REE records a thermal gap of 43.1 TWh; consequently, if the target is adjusted according to the formula provided in the Loyalty Plan ($E = (1.35 \times Ht) + 96$), Endesa's specific emissions should be 154.19 gCO₂/KWh in order to attain the LTI target 100%. Consequently, the achievement level for the Reduction in CO₂ emissions target (with a weighting of 10% in the Plan) is 0%.

Total result of the 2021-2023 program in accordance with the degree of attainment of the targets: TSR (0%), cumulative ROACE (180%), Net installed capacity for renewable energy sources (0%) and Reduction in CO₂ emissions (0%); hence, the comprehensive achievement level for 2021-2023 loyalty plan purposes reached 45%, which implies €2331 thousand for the Chief Executive Officer (45% of the base of €518 thousand established in the 2021-2023 plan for the CEO), that, if applicable, will be paid out fully in shares (up to 50% of the base amount will be paid out fully in shares). TABLE 0 - REMUNERATION FOR EXECUTIVE DUTIES: LONG-TERM VARIABLE COMPENSATION DEGREE OF ACHIEVEMENT 2023.

The result of compliance with the long-term variable compensation accrued in 2023 according to the 2021-2023 program was verified by the Audit Department of Endesa, in accordance with the Company's internal procedures, and also by an independent third-party, Ernst & Young, in accordance with corporate governance best practices with respect to remuneration and with the Spanish Securities Market Commission's (CNMV) Technical Guidelines 1/2019 on appointments and compensation committees.

In accordance with Endesa's Directors Compensation Policy, the plans provide for deferred payment and require that the Director be active at the time payment is made (unless the director is retiring or leaving the company due to termination of a fixed-term contract, in which case the director may collect on the plans completed as at the date of removal, although payment will be deferred until the applicable date, even if the director is not active at that time); these payments are made in two installments: 30% of the incentive, if applicable, in the year after the plan ends (FY 2024), and the remaining 70%, if applicable, in the second year after termination of the Plan (FY 2025).

That is why, in relation to the long-term variable remuneration, in the Remuneration accruing in cash tables C.1.a) i) and the table of share-based remuneration schemes C.1.a)ii) the amounts effectively vested for the Executive Directors in fiscal year 2023 have been included, representing 30% of the 2020-2022 Loyalty Plan and 70% of the 2019-2021 Loyalty Plan, totaling €450 thousand for the CEO, the achievement of which was detailed in the annual reports on Directors compensation for fiscal years 2021 and 2022, respectively. See Annex Table 8 - LOYALTY PLANS SCHEDULE. For all these reasons, the amounts indicated for the Chairman and CEO in the "long-term variable remuneration" column of table C.1.a).i) and C.1.a).ii) reflect an achievement level of 90% for the 2020-2022 Loyalty Plan and 90% for the 2019-2021 Loyalty Plan. The target values for the Chairman in both plans is €518 thousand; and the maximum value could reach 180%.

B) The 2020-2022 Loyalty Plan was approved at the General Shareholders' Meeting held on 5 May 2020. At the end of the 2023 financial year, the Appointments and Compensation Committee assessed the achievement levels of the 2020-2022 Loyalty Plan (Table 3- 2020-2022 PROGRAM TARGET MEASURES AND THRESHOLDS), with an amount of €466 thousand being accrued for the CEO.

- Assessment of the target for "Total Shareholders Return" (TSR) with a weighting of 50%

Endesa's average "TSR" for the 2020-2022 three-year period was calculated, according to the Regulation, as the average TSR of the three-month periods preceding the beginning (1/10/2019-31/12/2019) and expiration (1/10/2022-31/12/2022) of the accrual period. The average figure for the period stands at -11.72, compared with the benchmark Euro-Stoxx Utilities SX6E index, which has a cumulative average TSR of 12.76%. This means that Endesa's average TSR was -91.8% compared to the average TSR for the Euro-Stoxx Utilities Index, and is therefore less than 100%. Consequently, the achievement level for the TRS target (with a weighting of 50% in the Plan) is 0.0%.

- Assessment of the "Return On Average Capital Employed" target, with a 40% weighting. ENDESA's cumulative ROACE target is based on the ratio between its ordinary operating income (ordinary EBIT) and average Net Invested Capital (NIC), on a cumulative basis, during the 2020-2022 period

Specifically for this target, a Budget compliance level of 49.3% was established, a first level of overachievement if cumulative ROACE reached 50% and a second level of overachievement of 180% for a cumulative ROACE of 50.8% or higher.

ENDESA's cumulative ROACE in the period reached 58.7%, and thus the target is considered met at 180.0%. Consequently, the achievement level for the cumulative ROACE target (with a weighting of 40% in the Plan) is 180%.

- Assessment of the "Reduction in CO₂ emissions" target, with a 10% weighting.

Specific CO₂ emissions of Endesa in Spain and Portugal in 2022 (defined as the ratio between absolute CO₂ emissions from electricity generation by Endesa and total net production of Endesa during the year) were 205 gCO₂ / kWh. Additionally, the target was established for a thermal gap of 31 TWh in 2022 (as specified in the 2020-2022 BIP). Currently, REE records a thermal gap of 68.2 TWh; consequently, if the target is adjusted according to the formula provided in the Loyalty Plan ($E = [1.6 \times Ht] + 122$), Endesa's specific emissions should be 231.2 gCO₂/kWh in order to attain the LTI target 100%. Regarding compliance with the target maximum (180%), emissions should be below 219.6 gCO₂/kWh, which is also the case. Consequently, the achievement level for the Reduction in CO₂ emissions target (with a weighting of 10% in the Plan) is 180%.

Total result of the 2020-2022 program in accordance with the degree of attainment of the targets: TSR (0%), cumulative ROACE (180%) and Reduction in CO₂ emissions (180%); hence, the comprehensive achievement level for 2020-2022 loyalty plan purposes reached 90%, which implies €466 thousand for the Chief Executive Officer (90% of the base of €518 thousand established in the 2020-2022 loyalty plan for the CEO).

C) The 2019-2021 Loyalty Plan defined the following objectives for the CEO: The thresholds and achievement scales are attached hereto as Table 1 - 2019-2021 PROGRAM TARGET MEASURES AND THRESHOLDS.

- 50% "Total Shareholders Return" (TSR): Endesa's average "TSR" for the 2019-2021 three-year period was calculated, according to the Regulation, as the average of the 30 TSRs corresponding to the 1-30 December 2018 and 1-30 December 2021 periods, totaling 20.27%, compared to the benchmark, the Euro-Stoxx Utilities SX6E Index, that recorded an average TSR of 53.16%.

This means that Endesa's average TSR was 38.1% compared to the average TSR for the Euro-Stoxx Utilities Index, and is therefore less than 100%. The target becomes 0.0%. Consequently, the achievement level for the TRS target (with a weighting of 50% in the Plan) is 0.0%.

- 40% "Return On Average Capital Employed". ENDESA's cumulative ROACE target is defined as the ratio between ordinary operating income (ordinary EBIT) and average Net Invested Capital (NIC), on a cumulative basis, during the 2019-2021 period.

Specifically for this target, a Budget compliance level of 43.2% was established, a first level of overachievement if cumulative ROACE reached 43.9% and a second level of overachievement of 180% for a cumulative ROACE of 44.5% or higher. ENDESA's cumulative ROACE in the period reached 49.4%, and thus the target is considered met at 180.0%. Consequently, the achievement level for the cumulative ROACE target (with a weighting of 40% in the Plan) is 72%

- 10% "Reduction in CO₂ emissions" target, with a 10% weighting. Specific CO₂ emissions of Endesa in Spain and Portugal in 2021 (defined as the ratio between absolute CO₂ emissions from electricity generation by Endesa and total net production of Endesa during the year) were 183 gCO₂ / kWh. Additionally, the target was established for a thermal gap of 40 TWh in 2021 (as specified in the 2019-2021 BIP). Currently, REE records a thermal gap of 42.5 TWh; consequently, if the target is adjusted according to the formula provided in the Loyalty Plan ($E = [2.7 \times Ht] + 223$), the target maximum, 180%, would be attained. Consequently, the achievement level for the Reduction in CO₂ emissions target (with a weighting of 10% in the Plan) is 18%.

In accordance with the degree of attainment of the 2019-2021 program's targets: TSR (0%), cumulative ROACE (72%) and Reduction in CO₂ emissions (18%); hence, the comprehensive achievement level for 2019-2021 loyalty plan purposes reached 90%, which implies €466 thousand (90% of the base of €518 thousand established in the 2019-2021 loyalty plan for the Chief Executive Officer).

B.8 Indicate whether certain variable components have been reduced or clawed back when, in the former case, payment of non-vested amounts has been deferred or, in the latter case, they have vested and been paid, on the basis of data that have subsequently been clearly shown to be inaccurate. Describe the amounts reduced or clawed back through the application of the "malus" (reduction) or clawback clauses, why they were implemented and the years to which they refer.

The circumstances described in this section did not occur. In any case, it should be noted that the Appointments and Compensation Committee, in accordance with its Verification Procedure approved for such purpose and with the support of Endesa's Audit Department, has verified that there have been no circumstances that make malus and claw-back clauses applicable to executive directors in the last five years.

B.9 Explain the main characteristics of the long-term savings schemes where the amount or equivalent annual cost appears in the tables in Section C, including retirement and any other survivor benefit, whether financed in whole or in part by the company or through internal or external contributions, indicating the type of plan, whether it is a defined contribution or defined benefit plan, the contingencies covered, the conditions on which the economic rights vest in favor of the directors and their compatibility with any type of indemnification for early termination or cessation of the contractual relationship between the company and the director.

Non-Executive Directors do not participate in any long-term savings systems.

The Executive Directors and Senior Executives are beneficiaries of a Supplemental Social Welfare System to cover the contingencies of retirement, disability and death.

- Retirement:

That system is implemented through contributions to the "Endesa Group Employees' Pension Plan" in which the executive is a participant depending on which company they were hired by and when, and additional contributions made to an insurance policy or similar instrument for that purpose.

A defined benefit saving scheme has been established for the Chief Executive Officer based on his seniority and history with the Endesa Group. In the 2023 financial year, the contribution amounts to €7.3 thousand.

Based on prior arrangements as an Executive Director, the Company maintained its defined benefit commitment with the CEO, consisting of a constant lifetime annuity, upon effective retirement, in the amount of €898 thousand per annum (amount included in the amounts payable in 2023; see section A.1.7) less the amount of the public social security pension, and which shall be payable to the surviving spouse in the event of death after retirement, in an amount equal to 45% of that which was being received, deducting the amount of the applicable widowers pension under the social security system. This amount represented 85% of the CEO's pensionable salary, defined as the fixed salary from 2012 plus the annual variable target salary for 2012, divided by 1.35% and projected out to retirement at a rate of 2% per annum. The estimate of Mr. Bogas' lifetime annuity will be calculated each year until he steps down as CEO and starts his effective retirement from Endesa. Each year the new amount will be disclosed in the Annual Report on Directors' Compensation.

The rights of the beneficiary accrue thereto at the time of the contribution. This scheme is separate from and compatible with the compensation conditions referred to in section A.1, item 8.

- Disability and death:

Regarding the coverage of disability and death, Endesa has signed a life and accident insurance policy which guarantees certain capital and/or income depending on the contingency in question.

Coverage of disability or death and of retirement are exclusive benefits, i.e. in the event of death or disability prior to effective retirement, the director, in the case of disability, or its beneficiaries, in the case of death, shall receive the benefits specified for such events, without incurring any right to receive retirement benefits.

The long-term savings schemes are fully funded by the Company and are provided through the company's Pension Plan and/or insurance policies, which are also contracted by the Company.

- Regarding the rights accrued under these savings schemes, as of 31/12/2023, the Chief Executive Officer Mr. Bogas holds rights amounting to €14,280 thousand, as specified in Table C.1 a)iii.

B.10. Explain, where applicable, the indemnification or any other type of payment deriving from the early cessation, whether at the company's or the director's initiative, or from the termination of the contract in the terms provided therein, accrued and/or received by directors during the year last ended.

N/A

B.11. Indicate whether there have been any significant changes in the contracts of persons exercising senior management functions, such as executive directors, and, if so, explain them. In addition, explain the main conditions of the new contracts signed with executive directors during the year, unless these have already been explained in Section A.1.

There were no significant changes in the contracts of persons exercising senior management functions, such as executive directors.

B.12. Explain any supplementary remuneration accrued by directors in consideration of the provision of services other than those inherent in their position.

In 2023, the circumstances described in this section did not occur.

B.13. Explain any remuneration deriving from advances, loans or guarantees granted, indicating the interest rate, their key characteristics and any amounts returned, as well as the obligations assumed on their behalf by way of guarantee.

Endesa has a system of loans established for its senior managers to purchase their main home or for other needs. In addition, the executive directors and, in general, the Senior Executives can benefit from both types of loans.

As of the date of this Report, the CEO has a loan amounting to €230 thousand, with an average interest rate of 3.534% for the year 2023 and an interest-free loan (the interest subsidy is considered remuneration in kind) worth €421 thousand. As of the date of this report repayment on the loans has not begun.

B.14. Itemize the remuneration in kind accrued by the directors during the year, briefly explaining the nature of the various salary components.

In 2023, the items of remuneration in kind of the CEO of year 2022 are maintained: life insurance amounting to €78.28 thousand; collective health care policy with a subsidy of 100% of the cost of the payment of the holder and dependent relatives for an amount of €7.90 thousand; as well as other remuneration in kind, which include electricity supply at the employee rate or the assignment of a company car under a renting system for €37.70 thousand. Additionally, the CEO accrues an amount of €13.01 thousand for the granting of loans and guarantees. The total amount of the CEO remuneration for these items is €136.88 thousand, and is included in section C.1.iv.

In 2023, the Chairman of the Board of Directors had a collective health care policy with a subsidy of 100% of the cost for the holder and dependent relatives for an amount of €7.90 thousand and an assignment of company car through a renting scheme in the amount of €13.01 thousand.

B.15. Explain the remuneration accrued by any director by virtue of payments made by the listed company to a third company in which the director provides services when these payments seek to remunerate the director's services to the company.

N/A

B.16. Explain and detail the amounts accrued in the year in relation to any other remuneration concept other than that set forth above, whatever its nature or the group entity that pays it, including all benefits in any form, such as when it is considered a related-party transaction or, especially, when it significantly affects the true image of the total remuneration accrued by the director. Explain the amount granted or pending payment, the nature of the consideration received and the reasons for those that would have been considered, if applicable, that do not constitute remuneration to the director or in consideration for the performance of their executive functions and whether or not has been considered appropriate to be included among the amounts accrued under the "Other concepts" heading in Section C.

N/A

C. ITEMIZED INDIVIDUAL REMUNERATION ACCRUED BY EACH DIRECTOR

| Name | Type | Period of accrual in FY 2023 |
|----------------------------------|--------------------------------|-------------------------------|
| JUAN SÁNCHEZ-CALERO GUILARTE | Independent Chairman | From 01/01/2023 to 31/12/2023 |
| FLAVIO CATTANEO | Shareholder-Appointed Director | From 20/06/2023 to 31/12/2023 |
| JOSÉ DAMIÁN BOGAS GÁLVEZ | Chief Executive Officer | From 01/01/2023 to 31/12/2023 |
| STEFANO DE ANGELIS | Shareholder-Appointed Director | From 22/09/2023 to 31/12/2023 |
| GIANNI VITTORIO ARMANI | Shareholder-Appointed Director | From 25/07/2023 to 31/12/2023 |
| IGNACIO GARRALDA RUÍZ DE VELASCO | Independent Director | From 01/01/2023 to 31/12/2023 |
| FRANCISCO DE LACERDA | Independent Director | From 01/01/2023 to 31/12/2023 |
| PILAR GONZÁLEZ DE FRUTOS | Independent Director | From 01/01/2023 to 31/12/2023 |
| EUGENIA BIETO CAUBET | Independent Director | From 01/01/2023 to 31/12/2023 |
| ALICIA KOPLOWITZ ROMERO DE JOSEU | Independent Director | From 01/01/2023 to 31/12/2023 |
| CRISTINA DE PARIAS HALCÓN | Independent Director | From 01/01/2023 to 31/12/2023 |
| FRANCESCA GOSTINELLI | Independent Director | From 01/01/2023 to 31/12/2023 |
| FRANCESCO STARACE | Shareholder-Appointed Director | From 01/01/2023 to 10/05/2023 |
| ANTONIO CAMMISECRA | Shareholder-Appointed Director | From 01/01/2023 to 20/07/2023 |
| ALBERTO DE PAOLI | Shareholder-Appointed Director | From 01/01/2023 to 18/09/2023 |

C.1. Please complete the following tables on the individual compensation of each of the directors (including compensation for carrying out executive duties) earned during the year.

a) Remuneration from the reporting company:

i) Remuneration accruing in cash (thousands of euros)

| Name | Fixed remuneration | Attendance fees | Remuneration for membership of board committees | Salary | Short-term variable remuneration | Long-term variable remuneration | Indemnification | Other items | Total year 2023 | Total year 2022 |
|----------------------------------|--------------------|-----------------|---|--------|----------------------------------|---------------------------------|-----------------|-------------|-----------------|-----------------|
| JUAN SÁNCHEZ-CALERO GUILARTE | 636 | 26 | | | | | | | 662 | 653 |
| FLAVIO CATTANEO | | | | | | | | | | |
| JOSÉ DAMIÁN BOGAS GÁLVEZ | | | | 1,000 | 525 | 389 | | | 1,914 | 2,327 |
| STEFANO DE ANGELIS | | | | | | | | | | |
| GIANNI VITTORIO ARMANI | | | | | | | | | | |
| IGNACIO GARRALDA RUÍZ DE VELASCO | 224 | 36 | | | | | | | 260 | 249 |
| FRANCISCO DE LACERDA | 248 | 48 | | | | | | | 296 | 275 |
| PILAR GONZÁLEZ DE FRUTOS | 188 | 47 | | | | | | | 235 | 239 |
| EUGENIA BIETO CAUBET | 188 | 48 | | | | | | | 236 | 238 |
| ALICIA KOPLOWITZ ROMERO DE JOSEU | 188 | 17 | | | | | | | 205 | 207 |
| CRISTINA DE PARIAS HALCÓN | 188 | 44 | | | | | | | 232 | 148 |
| FRANCESCA GOSTINELLI | | | | | | | | | | |
| FRANCESCO STARACE | | | | | | | | | | |
| ANTONIO CAMMISECRA | | | | | | | | | | |
| ALBERTO DE PAOLI | | | | | | | | | | |

Observations

The result of compliance with the short-term variable compensation in 2023 was verified by the Audit Department of Endesa, in accordance with the Company's internal procedures, and also by an independent third-party, Ernst & Young, in accordance with corporate governance best practices with respect to remuneration and with the Spanish Securities Market Commission's (CNMV) Technical Guidelines 1/2019 on



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appointments and compensation committees.

With respect to the long-term variable remuneration, at the end of fiscal year 2023, the 2021-2023 Strategic Incentive was accrued for the CEO, in the amount of €233 thousand.

The result of compliance with the long-term variable compensation accrued in 2023 was verified by the Audit Department of Endesa, in accordance with the Company's internal procedures, and also by an independent third-party, Ernst & Young, in accordance with corporate governance best practices with respect to remuneration and with the Spanish Securities Market Commission's (CNMV) Technical Guidelines 1/2019 on appointments and compensation committees.

However, in accordance with Endesa's Directors Compensation Policy, the plans provide for deferred payment and require that the Director be active at the time payment is made (unless the director is retiring or leaving the company due to termination of a fixed-term contract, in which case the director may collect on the plans completed as at the date of removal, although payment will be deferred until the applicable date, even if the director is not active at that time); these payments are made in two installments: 30% of the incentive, if applicable, in the year after the plan ends (FY 2024), and the remaining 70%, if applicable, in the second year after termination of the Plan (FY 2025). In this sense, the remuneration cannot be considered vested in order to determine an unconditional right, as per the instructions of Circular 3/2021, of 28 September, of the National Securities Market Commission (see note 1).

That is why, in relation to the long-term variable remuneration, in the Remuneration accruing in cash table (C.1.a) ii) the amount effectively vested for the Executive Directors in fiscal year 2023 has been included, representing 30% of the 2020-2022 Loyalty Plan and 70% of the 2019-2021 Loyalty Plan, totaling €389 thousand in cash for the CEO. See Annex Table 8 LOYALTY PLANS SCHEDULE.

Note 1: For the purposes of this Circular, it shall be understood that the director has accrued long-term variable remuneration on the date of completion of the accrual period, when the targets to which the variable remuneration was linked have been met. However, if "malus" clauses exist (which may reduce the variable remuneration in whole or in part), their vesting and granting as remuneration for the year will not take place until, after the term of the plan as ended, it has been verified whether the application of such clauses is appropriate or not. The accrual period is the period of time during which the performance and the achievement of the qualitative and quantitative objectives established for the director are measured in order to determine their unconditional right to receive long-term variable remuneration. Remuneration will be vested when, after accrued, it has been verified that no "malus" clauses apply, as the case may be, or that the application of such clauses would result in a reduced variable remuneration, in which case the unconditional right to receive the remaining variable compensation would be established, regardless of the method or term stipulated for the payment of said remuneration or whether the payment is subject to deferral, withholding or clauses for recovering any remuneration already paid ("claw back").

ii) Table of changes in share-based remuneration schemes and gross profit from vested shares or financial instruments

| Name | Name of plan | Financial instruments at start of year 2023 | | Financial instruments granted during year 2023 | | Financial instruments vested during the year | | | | Instruments matured but not exercised | Financial instruments at end of year 2023 | |
|--------------------------|----------------|---|--------------------------|--|--------------------------|--|-----------------------------------|------------------------|---|---------------------------------------|---|--------------------------|
| | | No. of instruments | No. of equivalent shares | No. of instruments | No. of equivalent shares | No. of instruments | No. of equivalent / vested shares | Price of vested shares | EBITDA from vested shares or financial instruments (thousands of euros) | No. of instruments | No. of instruments | No. of equivalent shares |
| JOSÉ DAMIÁN BOGAS GÁLVEZ | 2020-2022 Plan | 10,750 | 10,750 | | | | 3,225 | 19.10 | 62 | | 7,526 | 7,526 |
| JOSÉ DAMIÁN BOGAS GÁLVEZ | 2021-2023 Plan | 11,026 | 11,026 | | | | | 0.00 | | | 11,026 | 11,026 |

| Name | Name of plan | Financial instruments at start of year 2023 | | Financial instruments granted during year 2023 | | Financial instruments vested during the year | | | | Instruments matured but not exercised | Financial instruments at end of year 2023 | |
|--------------------------|----------------|---|--------------------------|--|--------------------------|--|-----------------------------------|------------------------|---|---------------------------------------|---|--------------------------|
| | | No. of instruments | No. of equivalent shares | No. of instruments | No. of equivalent shares | No. of instruments | No. of equivalent / vested shares | Price of vested shares | EBITDA from vested shares or financial instruments (thousands of euros) | No. of instruments | No. of instruments | No. of equivalent shares |
| JOSÉ DAMIÁN BOGAS GÁLVEZ | 2022-2024 Plan | 13,323 | 13,323 | | | | | 0.00 | | | 13,323 | 13,323 |
| JOSÉ DAMIÁN BOGAS GÁLVEZ | 2023-2025 Plan | | | 19,806 | 19,806 | | | 0.00 | | | 19,806 | 19,806 |

Observations

With respect to long-term variable compensation, the table indicates the current strategic incentive plans, in which the CEO participates at year-end 2023.

In the 2020-2022 Plan, the fulfillment of which was assessed at year-end 2022 with a result of 90% out of a possible 180%, the CEO (benefiting from a 30% Plan payment) was vested 3,225 shares in 2023, at a price of €19.10, entailing long-term variable compensation of €62 thousand. Furthermore, 7,526 shares remain to be vested in 2024.

The attainment of the 2021-2023 and 2022-2024 plans will be assessed at year-end 2023 and 2024 and, if applicable, the corresponding shares will be vested in 2024 and 2025, and in 2025 and 2026, respectively.

Lastly, the 2023-2025 Plan was authorized by Endesa's Board of Directors in February 2023 and was approved by its General Shareholders' Meeting held on 28 April 2023. Therefore, the attainment of the plan will be assessed at year-end 2025 and, if applicable, the corresponding shares will be vested in 2026 and 2027.

ii) Long-term savings schemes.

| Name | Remuneration from vesting of rights to savings schemes |
|--------------------------|--|
| JOSÉ DAMIÁN BOGAS GÁLVEZ | 7 |

| Name | Contribution for the year by the company (thousands of euros) | | | | Amount of accrued funds (thousands of euros) | | | |
|--------------------------|---|-----------|---|-----------|--|-----------|---|-----------|
| | Savings schemes with vested economic rights | | Savings schemes with non-vested economic rights | | Savings schemes with vested economic rights | | Savings schemes with non-vested economic rights | |
| | Year 2023 | Year 2022 | Year 2023 | Year 2022 | Year 2023 | Year 2022 | Year 2023 | Year 2022 |
| JOSÉ DAMIÁN BOGAS GÁLVEZ | 7 | 6 | | | 14,280 | 13,868 | | |

Observations

iv) Details of other items

| Name | Concept | Amount of remuneration |
|------------------------------|----------------------|------------------------|
| JUAN SÁNCHEZ-CALERO GUILARTE | Remuneration in kind | 21 |
| JOSÉ DAMIÁN BOGAS GÁLVEZ | Remuneration in kind | 137 |

Observations

- b) Remuneration of directors of the listed company for seats on the boards of other subsidiary companies:
i) Remuneration accruing in cash (thousands of euros)

| Name | Fixed remuneration | Attendance fees | Remuneration for membership of board committees | Salary | Short-term variable remuneration | Long-term variable remuneration | Indemnification | Other items | Total year 2023 | Total year 2022 |
|---------|--------------------|-----------------|---|--------|----------------------------------|---------------------------------|-----------------|-------------|-----------------|-----------------|
| No data | | | | | | | | | | |

Observations

- ii) Table of changes in share-based remuneration schemes and gross profit from vested shares or financial instruments

| Name | Name of plan | Financial instruments at start of year 2023 | | Financial instruments granted during year 2023 | | Financial instruments vested during the year | | | | Instruments matured but not exercised | Financial instruments at end of year 2023 | |
|---------|--------------|---|--------------------------|--|--------------------------|--|-----------------------------------|------------------------|---|---------------------------------------|---|--------------------------|
| | | No. of instruments | No. of equivalent shares | No. of instruments | No. of equivalent shares | No. of instruments | No. of equivalent / vested shares | Price of vested shares | EBITDA from vested shares or financial instruments (thousands of euros) | No. of instruments | No. of instruments | No. of equivalent shares |
| No data | | | | | | | | | | | | |

Observations

iii) Long-term savings schemes

| Name | Remuneration from vesting of rights to savings schemes |
|---------|--|
| No data | |

| Name | Contribution for the year by the company (thousands of euros) | | | | Amount of accrued funds (thousands of euros) | | | |
|---------|---|-----------|---|-----------|--|-----------|---|-----------|
| | Savings schemes with vested economic rights | | Savings schemes with non-vested economic rights | | Savings schemes with vested economic rights | | Savings schemes with non-vested economic rights | |
| | Year 2023 | Year 2022 | Year 2023 | Year 2022 | Year 2023 | Year 2022 | Year 2023 | Year 2022 |
| No data | | | | | | | | |

Observations

iv) Details of other items

| Name | Concept | Amount of remuneration |
|---------|---------|------------------------|
| No data | | |

Observations

c) Summary of remuneration (thousands of euros):

This summary must include the amounts corresponding to all the remuneration items included in this report that have accrued to each director, in thousands of euros.

| Name | Remuneration accruing in the Company | | | | | Remuneration accruing in group companies | | | | | Total in year 2023, company + group |
|----------------------------------|--------------------------------------|---|--|-----------------------------|-----------------------------|--|---|--|-----------------------------|---------------------------|-------------------------------------|
| | Total cash remuneration | Gross benefit of vested shares or financial instruments | Remuneration by way of savings systems | Other items of remuneration | Total in year 2023, company | Total cash remuneration | Gross benefit of vested shares or financial instruments | Remuneration by way of savings systems | Other items of remuneration | Total in year 2023, group | |
| JUAN SÁNCHEZ-CALERO GUILARTE | 662 | | | 21 | 683 | | | | | | 683 |
| FLAVIO CATTANEO | | | | | | | | | | | |
| JOSÉ DAMIÁN BOGAS GÁLVEZ | 1,914 | 62 | 7 | 137 | 2,120 | | | | | | 2,120 |
| STEFANO DE ANGELIS | | | | | | | | | | | |
| GIANNI VITTORIO ARMANI | | | | | | | | | | | |
| IGNACIO GARRALDA RÚIZ DE VELASCO | 260 | | | | 260 | | | | | | 260 |
| FRANCISCO DE LACERDA | 296 | | | | 296 | | | | | | 296 |

| Name | Remuneration accruing in the Company | | | | | Remuneration accruing in group companies | | | | | Total in year 2023, company + group |
|----------------------------------|--------------------------------------|---|--|-----------------------------|-----------------------------|--|---|--|-----------------------------|---------------------------|-------------------------------------|
| | Total cash remuneration | Gross benefit of vested shares or financial instruments | Remuneration by way of savings systems | Other items of remuneration | Total in year 2023, company | Total cash remuneration | Gross benefit of vested shares or financial instruments | Remuneration by way of savings systems | Other items of remuneration | Total in year 2023, group | |
| PILAR GONZÁLEZ DE FRUTOS | 235 | | | | 235 | | | | | | 235 |
| EUGENIA BIETO CAUBET | 236 | | | | 236 | | | | | | 236 |
| ALICIA KOPLOWITZ ROMERO DE JOSEU | 205 | | | | 205 | | | | | | 205 |
| CRISTINA DE PARIAS HALCÓN | 232 | | | | 232 | | | | | | 232 |
| FRANCESCA GOSTINELLI | | | | | | | | | | | |
| FRANCESCO STARACE | | | | | | | | | | | |
| ANTONIO CAMMISECRA | | | | | | | | | | | |
| ALBERTO DE PAOLI | | | | | | | | | | | |
| TOTAL | 4,040 | 62 | 7 | 158 | 4,267 | | | | | | 4,267 |

Observations

- C.2. Indicate the evolution in the last five years of the amount and percentage variation of the remuneration accrued by each of the directors of the listed company who have held this position during the year, the consolidated results of the company and the average remuneration on an equivalent basis with regard to full-time employees of the company and its subsidiaries that are not directors of the listed company.

| | Total amounts accrued and % annual variation | | | | | | | | |
|----------------------------------|--|-----------------------|-----------|-----------------------|-----------|-----------------------|-----------|-----------------------|-----------|
| | Year 2023 | % Variation 2023/2022 | Year 2022 | % Variation 2022/2021 | Year 2021 | % Variation 2021/2020 | Year 2020 | % Variation 2020/2019 | Year 2019 |
| Executive directors | | | | | | | | | |
| JOSÉ DAMIÁN BOGAS GÁLVEZ | 2,120 | -14.24 | 2,472 | 16.17 | 2,128 | -24.35 | 2,813 | 8.15 | 2,601 |
| External directors | | | | | | | | | |
| JUAN SÁNCHEZ-CALERO GUILARTE | 682 | 1.34 | 673 | 2.44 | 657 | 5.12 | 625 | 39.82 | 447 |
| FLAVIO CATTANEO | 0 | - | 0 | - | 0 | - | 0 | - | 0 |
| STEFANO DE ANGELIS | 0 | - | 0 | - | 0 | - | 0 | - | 0 |
| GIANNI VITTORIO ARMANI | 0 | - | 0 | - | 0 | - | 0 | - | 0 |
| EUGENIA BIETO CAUBET | 236 | -0.84 | 238 | 0.00 | 238 | 61.90 | 147 | - | 0 |
| IGNACIO GARRALDA RUÍZ DE VELASCO | 260 | 4.42 | 249 | 2.05 | 244 | 0.41 | 243 | -4.33 | 254 |
| PILAR GONZÁLEZ DE FRUTOS | 234 | -2.09 | 239 | 0.42 | 238 | 61.90 | 147 | - | 0 |

| | Total amounts accrued and % annual variation | | | | | | | | |
|--|--|-----------------------|-----------|-----------------------|-----------|-----------------------|-----------|-----------------------|-----------|
| | Year 2023 | % Variation 2023/2022 | Year 2022 | % Variation 2022/2021 | Year 2021 | % Variation 2021/2020 | Year 2020 | % Variation 2020/2019 | Year 2019 |
| FRANCESCA GOSTINELLI | 0 | - | 0 | - | 0 | - | 0 | - | 0 |
| ALICIA KOPLOWITZ ROMERO DE JOSEU | 204 | -1.45 | 207 | -7.59 | 224 | 62.32 | 138 | - | 0 |
| FRANCISCO DE LACERDA | 296 | 7.64 | 275 | 3.00 | 267 | 14.10 | 234 | -3.31 | 242 |
| CRISTINA DE PARIAS HALCÓN | 231 | 56.08 | 148 | - | 0 | - | 0 | - | 0 |
| FRANCESCO STARACE | 0 | - | 0 | - | 0 | - | 0 | - | 0 |
| ANTONIO CAMMISECRA | 0 | - | 0 | - | 0 | - | 0 | - | 0 |
| ALBERTO DE PAOLI | 0 | - | 0 | - | 0 | - | 0 | - | 0 |
| Consolidated results of the company | | | | | | | | | |
| | 951 | -60.34 | 2,398 | 26.08 | 1,902 | -10.79 | 2,132 | 36.49 | 1,562 |
| Average employee remuneration | | | | | | | | | |
| | 79 | 1.28 | 78 | 6.85 | 73 | 1.39 | 72 | 1.41 | 71 |

Observations

- For the Directors, in their capacity as such, YoY differences are minimal. In most cases they are due to the attendance allowances received for each session, depending on a higher or lower number of sessions held and on their attendance. It should be noted, however, that the increase in the cases of Mr. Sánchez Calero between 2019 and 2020, Ms. Bieto, Ms. González and Ms. Koplowitz between 2020 and 2021, and Ms. Cristina de Parias between 2022 and 2023 are due to the fact that these Directors joined the Board during the first year of comparison, so complete financial years are not being compared. The increase for Mr. Sánchez-Calero between 2021 and 2020 is mainly due to Mr. Sánchez-Calero being appointed to the position of Chairman of the Sustainability and Governance Committee.

- CEO: the variation of -14.26% in his 2023 compensation with respect to 2022 is due to his lower short- and long-term variable compensation despite a 4.1% increase in fixed compensation. In 2023, the short-term variable tranche had an attainment of 92.68%, compared with 120% in 2022. The result of compliance with the short- and long-term variable compensation accrued in 2023 was verified by an independent third-party, Ernst & Young.



**ANNUAL REPORT ON
DIRECTOR REMUNERATION
OF LISTED COMPANIES**



In the long-term variable tranche for FY 2023, the 19-21 Plan (70% of payment) and the 20-22 Plan (30% of payment) vested, both with 90% attainment, whereas in 2022, the 18-20 Plans (70% of payment) vested with 150.93% attainment and the 19-21 Plan (30% of payment) with 90% attainment.

The 16% increase in the CEO's remuneration from 2021 to 2022 is due primarily to the improved attainment of the short-term targets (€520 thousand in 2021 vs. €680 thousand in 2022) and long-term targets (LTI: €496 thousand in 2021 vs. €687 thousand in 2022).

The -24% change from 2020 to 2021 is mainly due to a lower payment in the long-term variable compensation (€729 thousand in 2020 vs. €496 thousand in 2021) and a lower contribution to the retirement scheme, which for the purposes of this report is considered to be remuneration in cash. In 2020, a contribution of €485 thousand was made to the retirement scheme, as necessary to comply with the commitment provided for in the Contract. In 2021, no contribution was made to his retirement scheme (if necessary, contributions will be made when his effective retirement takes place), but a contribution of €29 thousand was made to his death benefit.

- Calculation of average remuneration for employees: The table shows the result from dividing the amount of "wages and salaries" as per the consolidated annual financial statements of each financial year by the average weighted number of employees for each financial year.

The following also details the annual average cost per employee, compared to the total amount of personnel expenses as per the consolidated annual financial statements of each financial year. This includes, in addition to the wages and salaries item, contributions to the pension plan, the impact cost of the provisions for redundancy programs (ERE), provisions for suspension of employment contracts (VRA), as well as other personnel expenses and Social Security payments for each financial year. Using these criteria, the average cost per employee would be: €124 thousand in 2023, €104 thousand in 2022, €99 thousand in 2021, €118 thousand in 2020, €105 thousand in 2019.

- In 2023, among other things, the corresponding revision called for in Article 8, sections 1 and 4, of the Framework Agreement was implemented. Employees governed by this Agreement received a salary increase (cumulative increase of 4.85% + 1%) with respect to 2022 in light of the fact that the CPI exceeded 1.5%. In addition, in 2023 salaries were increased 2% (non-cumulative), for higher productivity, calculated as the year-on-year change in EBITDA divided by personnel costs, as set forth in Article 8, section 2, of the Fifth Framework Agreement.

Nevertheless, the change in the average wage increase had a 1.6% effect in 2023 compared with 2022, because there were 506 employee departures, of which 161 were incentivized departures (AVS), 87 were retirements, and 70 were voluntary departures, compared with 362 new hires. This had an enormous effect on average employee compensation, given that departing employees were in the third quartile of the wage band and new hires are in the first quartile. Consequently, the average wage used in this report has the disadvantage of being influenced by separate values that are either much higher or much lower than the other values. Therefore, it does not reflect the effective increase.

With respect to the 6.85% increase from 2021 to 2022, the following factors are worth mentioning: in accordance with sections 1 and 4 of Art. 8 of the Collective Bargaining Agreement, in February 2022, employees governed by this agreement received a salary increase (cumulative increase of 2.7% + 1%) with respect to 2021 in light of the fact that the CPI exceeded 1.5%. In addition, in 2022, salaries were increased by a non-cumulative 2%, in line with higher productivity, calculated as the year-on-year change in EBITDA divided by personnel costs, as set forth in Article 8, section 2, of the Fifth Framework Agreement. In addition, between 2021 and 2022, the meritocracy actions, and for employees who have assigned targets, there was also a positive impact from the increased fulfillment of these short-and long-term targets as a result of the improved performance compared with the previous year.



D. OTHER INFORMATION OF INTEREST

If there are any significant issues relating to directors' remuneration that it has not been possible to include in the foregoing sections of this report, but which it is necessary to include in order to provide more comprehensive and reasoned information on the remuneration structure and practices of the company with regard to its directors, list them briefly.

N/A

This annual remuneration report was approved by the Board of Directors of the company in its meeting of:

27/02/2024

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

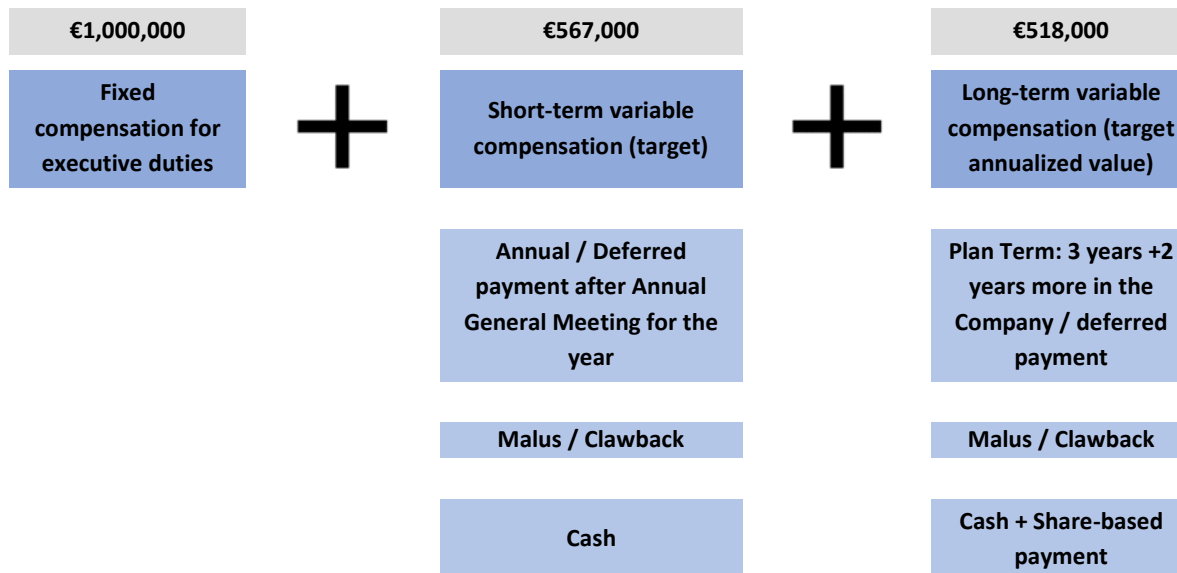
Yes

No

ANNEX I - OTHER INFORMATION

TABLE 0 - REMUNERATION FOR EXECUTIVE DUTIES

Compensation for executive duties (CEO)



REMUNERATION FOR EXECUTIVE DUTIES DEGREE OF ACHIEVEMENT 2023 (Section B.7)

SHORT TERM VARIABLE COMPENSATION 2023

| Type of Target | Percentage | Targets | Weighting | Degree of achievement |
|---|------------|--|-----------|-----------------------|
| Performance | 60% | Net Profit of Parent Company in the Financial Year | 15% | 120% |
| | | FFO - Cash flow before dividends, extraordinary transactions and net investments | 20% | 120% |
| | | Integrated Margin Management | 25% | 120% |
| Strategy Implementation | 20% | Business Target | 20% | 103.41% |
| ESG | 20% | Safety | 20% | 0% |
| Total degree of achievement over an achievable maximum of 120% | | | | 92.68% |

LONG-TERM VARIABLE COMPENSATION STRATEGIC INCENTIVE 2021-2023

| Type of Incentive | Percentage | Targets | Weighting | Degree of achievement |
|---|------------|---|-----------|-----------------------|
| Return | 75% | TSR Performance | 50% | 0% |
| | | Return On Average Capital Employed | 25% | 180% |
| ESG | 20% | Reduction in CO ₂ Emissions | 10% | 0% |
| | | Net Installed Capacity from Renewable Sources | 15% | 0% |
| Total degree of achievement over an achievable maximum of 180% | | | | 45.00% |

REMUNERATION FOR EXECUTIVE DUTIES - AGREED FOR 2024 (Section A.1.6)

SHORT TERM VARIABLE COMPENSATION 2024

| Type of Target | Percentage | Targets | Weighting |
|-------------------------|------------|--|-----------|
| Performance | 60% | Net Profit of Parent Company in the Financial Year | 15% |
| | | FCF | 20% |
| | | EBITDA | 25% |
| Strategy Implementation | 20% | Business Target | 20% |
| ESG | 20% | Safety | 20% |

LONG-TERM VARIABLE COMPENSATION STRATEGIC INCENTIVE 2024-2026

| Type of Incentive | Percentage | Targets | Weighting |
|-------------------|------------|---|-----------|
| Return | 75% | TSR Performance | 45% |
| | | ROIC (Return on Invested Capital) – WACC (Weighted Average Cost of Capital) | 30% |
| ESG | 25% | Reduction in CO ₂ Emissions | 15% |
| | | Percentage of Female Managers and Middle Managers | 10% |

TABLE 1 - 2019-2021 PROGRAM TARGET MEASURES AND THRESHOLDS (Section B.7)

Total Shareholders Return (TSR): 50% weighting

| Endesa TSR vs Index TSR | Endesa TSR > 115% of Index TSR | Endesa TSR between 110% and 115% of Index TSR | Endesa TSR between 100% and 110% of Index TSR | Endesa TSR between 90% and 100% of Index TSR | Endesa TSR < 90% of Index TSR |
|-------------------------|--------------------------------|---|---|--|-------------------------------|
| Multiplier* | 180% | 150% | 100% | 50% | 0% |

**Linear interpolation between the thresholds*

Return On Average Capital Employed (ROACE): 40% weighting

| Cumulative ROACE (2019-2021) | ≥ 44.5% | 43.9% | 43.2% | 42.0% | < 42.0% |
|------------------------------|-------------|-------------|-------------|------------|-----------|
| Multiplier* | 180% | 150% | 100% | 50% | 0% |

**Linear interpolation between the thresholds*

"Reduction in CO₂ Emissions" (CO₂): 10% weighting

| "Reduction in CO ₂ Emissions (gCO ₂ /kWh) | ≤ 315.6 | 322.2 | 332.2 | 342.1 | > 342.1 |
|---|-------------|-------------|-------------|------------|-----------|
| Multiplier* | 180% | 150% | 100% | 50% | 0% |

**Linear interpolation between the thresholds*

TABLE 2 - SIMULATED APPLICATION OF TSR REGRESSIVE CURVE FOR THE 2019-2021 PROGRAM (Section B.7)

| Target attained and corresponding reward | Reward for absolute TSR of Endesa > 0% | Regressive curve multiplier | Reward for absolute TSR of Endesa < 0% | | | |
|--|--|-----------------------------|--|-------------|-------------|-------------|
| | | | -5% | -10% | -15% | -20% |
| Endesa TSR > 115% Index TSR | 180% | 1.5 | 167% | 153% | 140% | 126% |
| Endesa TSR between 110% and 115% of Index TSR | 150% | 1.5 | 139% | 128% | 116% | 105% |
| Endesa TSR between 100% and 110% of Index TSR | 100% | 1.5 | 93% | 85% | 78% | 70% |
| Endesa TSR between 90% and 100% of Index TSR | 50% | 1.5 | 46% | 43% | 39% | 35% |
| Endesa TSR < 90% Index TRS | 0% | 1.5 | 0% | 0% | 0% | 0% |

TABLE 3 - 2020-2022 PROGRAM TARGET MEASURES AND THRESHOLDS (Section B.7)

Shareholders Return (TSR): 50% weighting

| Endesa TSR vs Index TSR | Endesa TSR > 115% of Index TSR | Endesa TSR between 110% and 115% of Index TSR | Endesa TSR between 100% and 110% of Index TSR | Endesa TSR < 100% of Index TSR |
|-------------------------|--------------------------------|---|---|--------------------------------|
| Multiplier* | 180% | 150% | 100% | 0% |

**Linear interpolation between the thresholds*

Return On Average Capital Employed (ROACE): 40% weighting

| Cumulative ROACE (2020-2022) | ≥ 50.7% | 50.0% | 49.3% | < 49.3% |
|------------------------------|-------------|-------------|-------------|-----------|
| Multiplier* | 180% | 150% | 100% | 0% |

**Linear interpolation between the thresholds*

“Reduction in CO₂ Emissions” (CO₂): 10% weighting

| “Reduction in CO ₂ Emissions (gCO ₂ /kWh) | ≤ 162.9 | 166.4 | 171.5 | > 171.5 |
|---|-------------|-------------|-------------|-----------|
| Multiplier* | 180% | 150% | 100% | 0% |

**Linear interpolation between the thresholds*

TABLE 4 - 2021-2023 PROGRAM TARGET MEASURES AND THRESHOLDS (Sections B.2 & B.7)

Total Shareholders Return (TSR): 50% weighting

| Endesa TSR vs Index TSR | Endesa TSR > 115% of Index TSR | Endesa TSR between 110% and 115% of Index TSR | Endesa TSR between 100% and 110% of Index TSR | Endesa TSR < 100% of Index TSR |
|-------------------------|--------------------------------|---|---|--------------------------------|
| Multiplier* | 180% | 150% | 100% | 0% |

**Linear interpolation between the thresholds*

Return On Average Capital Employed (ROACE): 25% weighting

| Cumulative ROACE (2021-2023) | ≥ 45.3% | 44.6% | 43.9% | < 43.9% |
|------------------------------|---------|-------|-------|---------|
| Multiplier* | 180% | 150% | 100% | 0% |

**Linear interpolation between the thresholds*

Net installed capacity for renewable energies 15% weighting

| Net installed capacity for renewable energies / Net installed capacity | ≥ 50.8% | 50.6% | 50.3% | < 50.3% |
|--|---------|-------|-------|---------|
| Multiplier* | 180% | 150% | 100% | 0% |

**Linear interpolation between the thresholds*

"Reduction in CO₂ Emissions" (CO₂): 10% weighting

| Reduction in CO ₂ Emissions (gCO ₂ /kWh) | ≤ 133.0 | 135.8 | 140.0 | > 140.0 |
|--|---------|-------|-------|---------|
| Multiplier* | 180% | 150% | 100% | 0% |

**Linear interpolation between the thresholds*

TABLE 5 - 2022-2024 PROGRAM TARGET MEASURES AND THRESHOLDS (Section A.1, item 6)

Total Shareholders Return (TSR): 50% weighting

| Endesa TSR vs Index TSR | Endesa TSR > 115% of Index TSR | Endesa TSR between 110% and 115% of Index TSR | Endesa TSR between 100% and 110% of Index TSR | Endesa TSR < 100% of Index TSR |
|-------------------------|--------------------------------|---|---|--------------------------------|
| Multiplier* | 180% | 150% | 100% | 0% |

**Linear interpolation between the thresholds*

Return On Average Capital Employed (ROACE): 25% weighting

| Cumulative ROACE (2022-2024) | ≥ 50.9% | 50.1% | 49.4% | < 49.4% |
|------------------------------|---------|-------|-------|---------|
| Multiplier* | 180% | 150% | 100% | 0% |

**Linear interpolation between the thresholds*

Net installed capacity for renewable energies 10% weighting

| Net installed capacity for renewable energies / Net installed capacity | ≥ 53.1% | 52.8% | 52.6% | < 52.6% |
|--|---------|-------|-------|---------|
| Multiplier* | 180% | 150% | 100% | 0% |

**Linear interpolation between the thresholds*

Reduction in CO₂ Emissions (CO₂): 10% weighting

| "Reduction in CO ₂ Emissions (gCO ₂ /kWh) | ≤ 127 | 130 | 134 | > 134 |
|---|-------|------|------|-------|
| Multiplier* | 180% | 150% | 100% | 0% |

**Linear interpolation between the thresholds*

% of women in succession pools: 5% weighting

| % of women in management succession pools | ≥ 50% | 47% | 45% | < 45% |
|---|-------|------|------|-------|
| Multiplier* | 180% | 150% | 100% | 0% |

**Linear interpolation between the thresholds*

TABLE 6 - 2023-2025 PROGRAM TARGET MEASURES AND THRESHOLDS (Section A.1, item 6)

Total Shareholders Return (TSR): 50% weighting

| Endesa TSR vs Index TSR | Endesa TSR \geq 115% of Index TSR | Endesa TSR \geq 110% and $<$ 115% of Index TSR | Endesa TSR \geq 100% and $<$ 110% of Index TSR | Endesa TSR $<$ 100% of Index TSR |
|-------------------------|-------------------------------------|--|--|----------------------------------|
| Multiplier* | 180% | 150% | 100% | 0% |

**Linear interpolation between the thresholds*

ROIC (Return on Invested Capital) – WACC (Weighted Average Cost of Capital): 30% weighting

| ROIC-WACC 2023-2025 | \geq 19.7% | 19.2% | 18.7% | $<$ 18.7% |
|---------------------|--------------|-------|-------|-----------|
| Multiplier* | 180% | 150% | 100% | 0% |

**Linear interpolation between the thresholds*

Reduction in CO₂ Emissions (CO₂): 10% weighting

| Reduction in CO ₂ Emissions (gCO ₂ /kWh) in 2025 | \leq 126 | 128 | 132 | 136 | $>$ 136 |
|--|------------|------|------|-----|---------|
| Multiplier | 180% | 150% | 100% | 50% | 0% |

**Linear interpolation between the thresholds*

% of women in succession pools: 10% weighting

| % of women in management succession pools in 2025 | \geq 50% | 47% | 45% | $<$ 45% |
|---|------------|------|------|---------|
| Multiplier | 180% | 150% | 100% | 0% |

**Linear interpolation between the thresholds*

TABLE 7 - 2024-2026 PROGRAM TARGET MEASURES AND THRESHOLDS (Section A.1, item 6)

Total Shareholders Return (TSR): 45% weighting

| Endesa TSR vs Index TSR | Endesa TSR ≥ 115% of Index TSR | Endesa TSR ≥ 110% and < 115% of Index TSR | Endesa TSR ≥ 100% and < 110% of Index TSR | Endesa TSR < 100% of Index TSR |
|-------------------------|--------------------------------|---|---|--------------------------------|
| Multiplier* | 180% | 150% | 100% | 0% |

**Linear interpolation between the thresholds* Max 179% min 150% Max 149% min 100%

ROIC (Return on Invested Capital) – WACC (Weighted Average Cost of Capital): 30% weighting

| ROIC-WACC 2024-2026 | ≥ 30.3% | 29.7% | 29.1% | < 29.1% |
|---------------------|-------------|-------------|-------------|-----------|
| Multiplier* | 180% | 150% | 100% | 0% |

**Linear interpolation between the thresholds* Max 179% min 150% Max 149% min 100%

Reduction in CO₂ Emissions (CO₂): 15% weighting

| Reduction in CO ₂ Emissions (gCO ₂ /kWh) in 2026 | ≤ 116 | 118 | 122 | 126 | > 126 |
|--|-------------|-------------|-------------|------------|-----------|
| Multiplier | 180% | 150% | 100% | 50% | 0% |

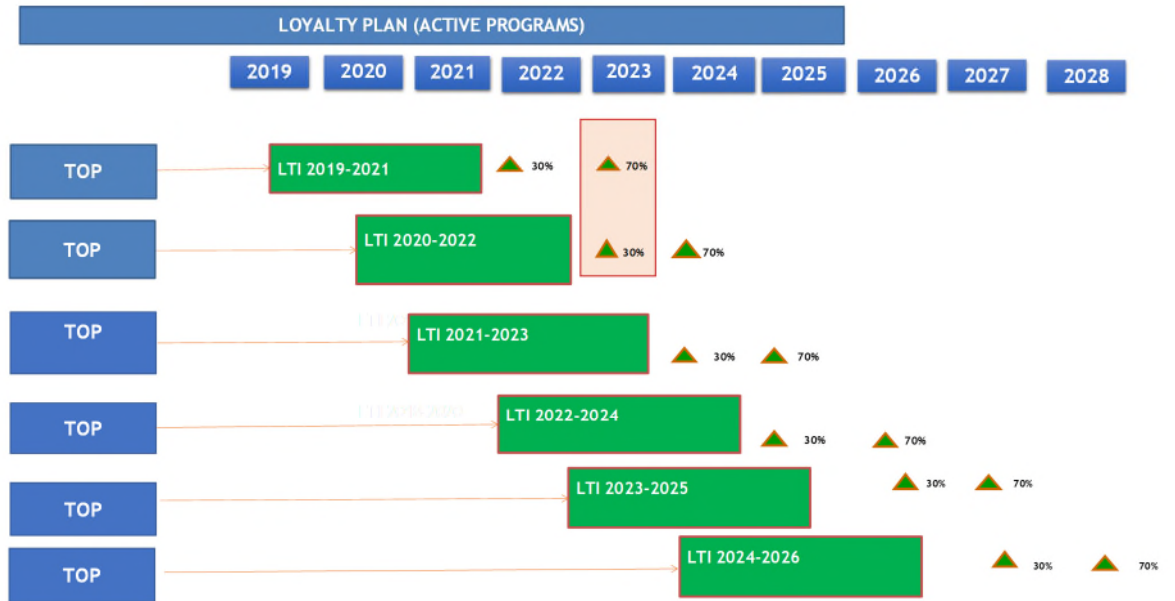
**Linear interpolation between the thresholds* Max 179% min 150% Max 149% min 100% Max 99% min 50%

% of female managers and middle managers: 10% weighting

| % of Female Managers and Middle Managers in 2026 | ≥ 35.5% | 35.3% | 35.1% | < 35.1% |
|--|-------------|-------------|-------------|-----------|
| Multiplier | 180% | 150% | 100% | 0% |

**Linear interpolation between the thresholds* Max 179% min 150% Max 149% min 100%

TABLE 8- LOYALTY PLANS SCHEDULE (Sections B.7 & C.1.a)i)



ANNEX II

In February 2024, the Company, with the support of Ernst & Young Abogados, S.L.P., carried out an analysis of the external competitiveness of the total remuneration received by Endesa directors, in order to review the possibility of adjusting their remuneration and ensure that it is reasonably in line with the practices of comparable companies.

Specifically, the following positions were analyzed: Chief Executive Officer, Chairman of the Board of Directors, independent members of the Board of Directors and the Chair and members of each of the Company's Board committees.

For this compensation study, two samples made up of companies comparable to Endesa in terms of market capitalization and/or sector were selected:

A national sample, comprised of the following 9 companies on the IBEX 35 Index: Iberdrola, Naturgy, Amadeus, Cellnex, Repsol, Telefónica, Acciona Energía, Redeia and Enagás.

An European sample made up of the following 11 leading European energy companies, being relevant in the sector: Eni, Engie, RWE, Verbund, Uniper, E-on, EDP, Veolia, Snam, Fortum and Terna.

The conclusions are as follows:

1. Compensation of directors in their capacity as such:

The compensation structure of Endesa directors in their capacity as such, consisting of fixed remuneration plus attendance allowances, is in keeping with 33% of the companies in the national sample and 45% of the European sample, which have established this director remuneration mix.

By contrast, 67% of the Spanish companies and 55% of the European companies reviewed compensate directors for both board membership and attendance to board meetings with fixed remuneration. No Spanish or European company in the peer group compensates its directors solely with attendance allowances.

The fixed remuneration of Endesa's Board members is above the 75th percentile of both the national and European samples, and its attendance allowances are below the 25th percentile of the national sample and above the 75th percentile of the European sample.

1.1 Committee chairs and members:

All of the companies analyzed in the national sample compensate committee chairs.

The compensation of the Chairman of the Audit and Compliance Committee is between the median and the 75th percentile of the national sample and is aligned with the 75th percentile in the case of the European sample; the compensation of the Chairman of the Appointments and Compensation Committee is aligned with the median of the national sample; and the compensation of the Chairman of the Sustainability and Governance Committee is aligned with the 25th percentile of the national sample. The compensation paid to all committee chairs is between the median and the 75th percentile of the European sample.

For their part, Endesa's committee members do not receive fixed remuneration, as their remuneration for holding this position is limited to their committee meeting attendance allowances.

In this regard, the attendance allowances for Endesa's committee meetings lie between the median and the 75th percentile of the companies included in the national sample and are above the 75th percentile of the European sample in the case of the Audit and Compliance Committee and the Appointments and Compensation Committee, and between the median and the 75th percentile of the companies in the European sample in the case of the Sustainability and Governance Committee.

1.2 Non-Executive Chairman of the Board of Directors:

For the purposes of our compensation benchmarking, the position of non-executive chairman of Endesa has been equated with that of the board chairman of the companies in the peer group. Where the chairman is considered to be a non-executive chairman, only remuneration for duties performed as part of multi-member corporate bodies has been considered.

This comparison differs from the one used in previous analyses, making the results less representative, given that the national sample contains few positions comparable to that of independent-director chairman. The national peer group is inconsistent inasmuch as the category of chairman encompasses both chairmen who perform executive duties and those who do not. Forty-four percent of the companies in the Sample (Naturgy, Iberdrola, Enagás and Telefónica) have an Executive Chairman, while the remaining 66% (Repsol, Redeia, Amadeus, Cellnex and Acciona Energía) have a non-executive chairman, and only two of the latter are independent (Amadeus and Cellnex).

The fixed remuneration of Endesa's Board Chairman stands between the median and the 75th percentile of the companies in the national sample, and above the 75th percentile in the European sample, while attendance allowances are below the 25th percentile of the national sample and above the 75th percentile of the companies in the European sample.

In addition, an analysis of a non-executive chairman's remuneration should also compare it with that of other non-executive directors of the same company in order to place it in context in terms of internal fairness. Hence, within the group of peers, 83% of Spanish companies analyzed and 92% of the European companies pay higher remuneration to the board chairman than to directors who are members of the board. Hence, it is worth noting that, within the group of peers, 89% of domestic companies analyzed and 100% of the European companies pay higher compensation to the Chairman of the Board of Directors. In addition, within the peer group, chairmen receive 307% higher compensation than board members in the national sample and 265% higher than those in the European sample, in median terms. In this regard, the compensation of the Chairman of Endesa's Board of Directors is 274% of the national and European samples i.e., it is between the 25th percentile and the median of the national sample and between the median and the 75th percentile of the European sample.

2. Chief Executive Officer

As for target total remuneration (i.e., the sum of fixed compensation for executive duties plus short-term variable compensation plus annualized long-term variable compensation), the remuneration paid to Endesa's Chief Executive Officer is between the 25th percentile of the national sample and slightly below the 25th percentile of the European sample.

The annual fixed compensation for executive duties (1,000,000 euros) is aligned with the 25th percentile of the companies in the national sample and lies between the 25th percentile and the median in the case of the European sample.

The target short-term variable compensation (567,000 euros) is aligned with the 25th percentile of the companies in the national sample and is within the median in the case of the European sample.

The target long-term variable compensation (518,000 euros) is in line with the 25th percentile of the companies in the national sample and is below the 25th percentile of the European sample.