

## **Non-Financial and Sustainability Statement 2023**

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# 1. LETTER TO OUR STAKEHOLDERS

2-22

Society is at a key moment, in which it must face a paradigm shift to redirect the current economic model towards one that integrates planetary boundaries, rights and basic human needs. The growing effects of climate change, the pressure on natural resources, the relevance of biodiversity protection and other social aspects, such as increasing inequality or the role of supply chains, have reinforced the need to promote a new sustainable energy model. At Endesa we are firmly committed to a profitable, fair and sustainable energy transition.

At Endesa we believe that clean electrification is key to meeting the challenges facing the energy sector. In this way, we guide the business strategy to promote an energy transition based on decarbonisation, thus reducing its environmental impact and committing to the provisions of the Paris Agreement to avoid an increase of more than 1.5 °C. With this in mind, Endesa established ambitious climate targets and continued to progress towards them in 2023:

- Net zero emissions by 2040, aligning with the *Science Based Targets initiative* (SBTi). Committed to this target, we achieved a 67% reduction in greenhouse gas emissions from the electricity generation process in 2023 compared to the base year, 2017.
- Closing down the coal business in 2027. In 2023, we closed the last plant on the mainland, "As Pontes", and we are already working on the closure of the last plant, "Alcudia", located in the Balearic Islands, scheduled for 2027.
- Exit from the gas business by 2040.

Endesa's new strategic plan for 2024-2026 aims to achieve a value-based business model and is designed to capitalise on future opportunities. This plan is based on three main pillars:

- **Profitability, flexibility and resilience:** Adoption of more selective and flexible criteria, guided by value and supported by a new progressive renewable development plan, essential to optimise the risk-return profile.
- **Efficiency and effectiveness:** Optimisation of operations to promote organisational efficiency and effectiveness, implementing rigorous discipline aimed at maximizing cash generation and mitigating the impacts of inflation and cost of capital.
- **Financial and environmental sustainability:** Creating a business model capable of being self-financing while effectively addressing environmental challenges.

Our strategy towards the energy transition aligns with the Sustainable Development Goals, either directly or indirectly. This means that 90% of the investment envisaged in the strategic plan contributes to SDG 13 (Climate Action), which in turn encompasses SDG 7 (Affordable and Clean Energy), SDG 9 (Industry, Innovation and Infrastructure) and SDG 11 (Sustainable Cities and Communities). In addition, the company will allocate more than 80% of its investments in the 2024-2026 horizon to activities classified as sustainable according to the European Taxonomy.

Another of the key aspects of our climate strategy is to ensure that the energy transition is fair for everybody by making a firm commitment to the local communities in the region where the activities and business projects are undertaken. To this end, we have developed the Futur-e Plans, in order to carry out a just transition in territories affected by the closures of coal-fired power plants, which are articulated through four lines of action: (i) search for active employment for the personnel directly affected; (ii) promotion of economic activity within the region; (iii) education and skills development programmes aimed at improving the employability of the local population; and (iv) projects aimed at promoting sustainability within the municipality. This initiative has made some significant achievements:

- Endesa was awarded the only two Just Transition Tenders held in Spain and Portugal (Mudéjar and Pego, respectively), demonstrating its commitment to communities by designing differential social-economic plans included in the bids made to ensure the creation of shared value in local communities.
- International recognition thanks to the Just Transition project in Andorra, the only Spanish project awarded at the recent COP28 held in Dubai, specifically in the Renewable energies, integration and clean energy category.

Another important pillar of Endesa's strategy is to advocate environmental sustainability, natural capital and the integration of a circular perspective, which is why:

- We maintain a strong commitment to preserving biodiversity, in line with the Kunming-Montreal global framework.
- Since 2023 we have been practising the LEAP methodology (location of activities and ecosystems where the activities will take place, evaluation and identification of impacts and dependencies, auditing and analysis of risks and opportunities and the preparation of a response by 2030 to the result of the audit and reporting it to investors-) of the TNFD ("Taskforce for Nature-Related Financial Disclosures") Guidelines in order to avoid generating a net loss of biodiversity as a result of the activities involved in our projects.
- We continue to make an integrated approach to optimally manage the water resources we use and achieved a 91% reduction in the specific extraction of water for industrial use compared to the base year (2017).
- We apply a circular approach in all the company's units, which has allowed us to achieve a recyclability of between 75 and 85% for the materials used in solar and wind energy infrastructures, as well as in storage infrastructures.

In the internal social dimension, we maintain diversity, development and work-life balance as key pillars in our strategy to continue progressing towards becoming a more inclusive company and generating long-term value. To achieve this:

- We maintain the ambition to promote gender diversity and ensure women's access to positions of greater responsibility, currently having more than 40% of women on the Board of Directors.
- We are developing initiatives to promote diversity, including the BE Talent youth community and intergenerational mentoring, as well as the community created in previous years for the LGBTIQ+ collective.
- We seek and aspire to improve the integration and inclusion of people with functional and/or intellectual diversity, not only in the company's activities, but also throughout the value chain. In this way, we have continued to expand the solutions and measures to improve accessibility for workers and customers, maintaining the commitment to continue working on this challenge over the coming years.
- Finally, we continue to invest in training as a means of developing employees, updating and renewing the subjects in the courses annually in response to new management models, establishing objectives per hour of training for each of the employees and promoting internal initiatives for the transfer of knowledge.

Also under a social approach, but externally:

- In the communities where we operate, we are committed to dialogue and collaboration that contribute to achieving just transition.

- We pursue the compliance with human rights in the supply chain, we are committed to decarbonisation and raising awareness among the suppliers and contractors all through the purchasing process.

Once again, we reaffirm our commitment to maintaining the highest standards of excellence in all areas of operation, to undertaking ethical and transparent governance that places us at the cutting edge with regard to the implementation of good business practices, reinforcing our purpose to continue integrating sustainability and sound governance into the management of all our activities. We also acknowledge the importance of effective governance in our interactions with stakeholders, as it strengthens our relationships and supports our continued dedication to responsible and sustainable business management, always in line with our objectives.

The different projects and initiatives undertaken by Endesa ensured that, once again, we continue to be aligned with the Ten Principles of the Global Compact, with the Guiding Principles on Business and Human Rights and with the Seventeen Sustainable Development Goals included in the 2030 Agenda. Our firm commitment to the environmental and social transition has been acknowledged in the main global sustainability ratings and indices, and we are ranked among the best-rated companies.

- We have renewed our privileged position in DJSI World, for the twenty-third consecutive year, reaching the fifth position among electricity companies and we have been included in the DJSI Europe, for the second consecutive year.
- The company consolidates its leadership among the electricity companies, together with Enel, in the Euronext Vigeo and FTSE4Good indices, maintaining the highest AAA rating in the MSCI assessment.

In conclusion, at Endesa we are aware of the challenges the energy sector is facing in the coming years and we assume our responsibility to respond to the challenges posed by the current ecological and social context. In this way, we reiterate our firm commitment to sustainability in all areas of the company, with the aim of not only strengthening business strategy and activity, but also generating a direct, positive and significant impact on society. With this commitment, we seek to actively contribute to the prosperity, inclusion, sustainability and resilience of society and the environment, in the midst of the current process of transition and change that characterises this decade.

**Juan Sánchez-Calero Guilarte**

Chairman

**José D. Bogas Gálvez**

Chief Executive Officer

## **2. OUR SUSTAINABLE PROGRESS**

**2.1. WHO WE ARE AND OUR RESULTS.**

**2.2. SUSTAINABILITY GOVERNANCE.**

**2.3. WHAT IS IMPORTANT TO US.**

**2.4. OUR STRATEGY FOR SUSTAINABLE PROGRESS.**



## 2.1. WHO WE ARE AND OUR RESULTS



The scope of the information provided in this chapter covers both Endesa, S.A. and its investee companies in Spain and Portugal. The scope is the same as in the Legal Documentation reports. For more information, see sections 2.1.2.6. *Organisational structure* and 2. *Coverage of the report (ANNEX I: Methodology for the preparation of the report)*. Variations, if any, to the scope described here are presented throughout the chapter.

### 2.1.1. Financial, Operational and Sustainable Achievements

#### 2-6/EU1/EU2

##### 2.1.1.1. Financial Indicators

#### EU1/EU2/201-4



**3,777**

million euros

**GROSS OPERATING INCOME (EBITDA)\***

-32.1% compared to 2022.



**1,645**

million euros

**OPERATING INCOME (EBIT)**

-55.4% compared to 2022.



**742**

million euros

**NET INCOME**

-70.8% compared to 2022.



**951**

million euros

**NET ORDINARY INCOME**

-60.3% compared to 2022.

\* See section 7: Alternative Performance Measures (APMs) of the Consolidated Management Report 2023.

The net income attributed to the Parent amounted to 742 million euros in 2023 compared to 2,541 million euros in the previous year (-70.8%).

Net ordinary income for 2023 amounted to 951 million euros, a decrease of 60.3% compared to the previous year.

To analyse the evolution of net income for 2023, the following effects must be taken into account:

Period	Effect	References <sup>(1)</sup>	Impact		
2023 Business Year	Arbitral Award	10.1, 16.1 and 51	▼€398 million.	➤	Recognition of an expense as a result of the award rendered in an arbitration for the revision of the price of a long-term supply contract for liquefied natural gas (LNG).
	Temporary Energy Tax	6, 10.3	▼€208 million.	➤	Recognition of the expense associated with the temporary energy levy introduced by Law 38/2022 of 27 December.
	Workforce Restructuring Plans related to the Digitalisation of Processes	12 and 37.2	▼€124 million.	➤	Provision for workforce restructuring plans related to the Digitalisation of Processes in line with the commitment to efficiency improvements, within the framework of Endesa's digital transformation.

Period	Effect	References <sup>(1)</sup>	Impact
	Impairment of the Non-Mainland Territories (TNP in Spanish) of the Balearic Islands, Canary Islands, Ceuta and Melilla	15.1	▼ ▶ Accounting recognition of the impairment of cash-generating units (CGUs) for the Non-mainland Territories of the Balearic Islands, Canary Islands, Ceuta and Melilla. €68 million.

<sup>1</sup>Notes to the Consolidated Financial Statements for the year ended 31 December 2023.

Below is a breakdown of the most relevant financial figures and their variation with respect to the previous year:

#### FINANCIAL METRICS<sup>1</sup>

	2021	2022	2023
Revenue (million euros)	20,899	32,896	25,459
EBITDA (million euros) <sup>1</sup>	4,278	5,565	3,777
Operating Income (EBIT) (million euros) <sup>1</sup>	1,956	3,687	1,645
Net income (million euros) <sup>1</sup>	1,435	2,541	742
Net ordinary income (million euros) <sup>1</sup>	1,902	2,398	951
Share capital (million euros)	1,271	1,271	1,271
Non-Current Borrowings (million euros)	7,211	11,704	9,636

<sup>1</sup> See section 7: Alternative Performance Measures (APMs) of the Consolidated Management Report 2023.

Revenue for 2023 includes 4,515 million euros (17.7% of total revenue), corresponding to the generation of carbon-emitting technologies. Revenue for the 2022 business year include 8,807 million euros (26.8% of total revenue) corresponding to the generation of carbon-emitting technologies (see paragraph 11. *Results by Segments, in the Consolidated Management Report*).

The details of the main contributions to entities covered by the Tax regime of non-profit entities and tax incentives to sponsorship (Law 49/2002) in 2023:

- **Endesa Foundation**, for an amount of 6 million euros. This annual donation is made to the Foundation to develop and finance its foundational activities, which are structured in support of education, training for employment, biodiversity and culture.
- **Universo Mujer III Programme** (Public administration), for the sum of 1 million euros. This is a donation within the framework of a programme classified as an "event of exceptional public interest" that aims to promote and increase women's participation in all areas of sport.

Below is a breakdown of the most relevant financial figures and their variation with respect to the previous year:

	2021	2022	2023
<b>Contributions to foundations and non-profit organisations (million euros)<sup>1</sup></b>	7.0	7.7	8.7
Foundations (million euros)	5.9	6.8	7.0
Public Administrations (million euros) <sup>2</sup>	1.1	0.9	1.7
<b>Public subsidies received (million euros)</b>	1.7	2.1 <sup>3</sup>	3.8

<sup>1</sup>The information on Contributions to foundations and non-profit organisations corresponds to the amounts accrued in the 2023 business year.

<sup>2</sup> The contributions in 2021 and 2022 correspond to the Universo Mujer II Program and Universo Mujer III Program, respectively.

<sup>3</sup>Amount adjusted for subsequent events and details occurring after year end.

During 2023, Endesa and its investee companies have received non-repayable contributions in the form of direct grants to innovation projects amounting to 3.8 million euros, from both European and national institutions, the most relevant being:










#### INNOVATION PROJECTS

<b>MOVES I-II</b>	Dedicated to electric mobility.
<b>RC4ALL</b>	Responsible consumption for customers.

<b>AMBRA-E</b>	International project, which is carried out jointly with Romania and Italy, dedicated to electric mobility.
<b>CIRVE</b>	Consortium project for the analysis and deployment of fast charging networks for electric vehicles.
<b>AERIAL CORE</b>	Application of robotics to the maintenance of the distribution grid.
<b>BLADES2BUILD</b>	Recycling, reuse and repurposing of the composite materials in wind turbine blades at the end of their useful life.

### 2.1.1.1.1. Investments

In 2023, Endesa's gross investments in property, plant and equipment and intangible assets amounted to 2,463 million euros, as follows:

	Investments (million euros)		
	2021	2022	2023
<b>Generation and Retailing</b>	<b>1,228</b>	<b>1,072</b>	<b>1,192</b>
 Conventional Generation <sup>1</sup>	440	253	289
 Renewable generation	770	785	859
 Energy Retailing	1	1	3
 Marketing of Other Products and Services	17	33	41
<b>Distribution</b>	<b>819</b>	<b>819</b>	<b>859</b>
<b>Structure, services and others <sup>2</sup></b>	<b>14</b>	<b>11</b>	<b>17</b>
<b>Total material <sup>3,4</sup></b>	<b>2,061</b>	<b>1,902</b>	<b>2,068</b>
<b>Generation and Retailing</b>	<b>274</b>	<b>379</b>	<b>352</b>
 Conventional generation <sup>5</sup>	22	19	18
 renewable generation	19	71	64
 Energy Retailing	194	247	230
 Marketing of Other Products and Services	39	42	40
<b>Distribution</b>	<b>34</b>	<b>72</b>	<b>33</b>
<b>Structure, services and others <sup>2</sup></b>	<b>20</b>	<b>17</b>	<b>10</b>
<b>Total intangible assets <sup>4,5</sup></b>	<b>328</b>	<b>468</b>	<b>395</b>
<b>Total gross investments<sup>6</sup></b>	<b>2,389</b>	<b>2,370</b>	<b>2,463</b>
<b>Capital Grants and Installations Transferred</b>	<b>-203</b>	<b>-199</b>	<b>-201</b>
<b>Generation and Retailing</b>	<b>-3</b>	<b>-</b>	<b>-3</b>
 Conventional Generation	-3	-	-3
<b>Distribution</b>	<b>-200</b>	<b>-199</b>	<b>-198</b>
<b>Total net investments <sup>6</sup></b>	<b>2,186</b>	<b>2,171</b>	<b>2,262</b>

(1) In the 2023 business year it includes gross CapEx in the Non-Mainland Territories (TNP in Spanish) amounting to 60 million euros (82 million euros the 2022 business year).

(2) Structure, Services and Adjustments.

(3) In the 2023 business year it includes additions for rights of use amounting to 147 million euros (23 million euros in the 2022 business year) (see Note 21 in the Notes to the Consolidated Financial Statements corresponding to the year ended 31 December 2023).

(4) In the fiscal year 2023 it includes 2,355 million euros (95.6 %) corresponding to gross investments for low-carbon products, services and technologies and 108 million euros (4.4 %) relating to gross investments for coal/fuel oil power plants and combined cycle power plants (2,274 million euros (95.9%) and 96 million euros (4.1%) in the 2022 business year) (see definition in Section 7 of the Consolidated Management Report).

(5) In the fiscal year 2023 it includes gross intangible investments in the Non-Mainland Territories (TNP) amounting to 2 million euros (1 million euros in fiscal year 2022).

(6) See definition in Section 7: Alternative Performance Measures (APMs) of the Consolidated Management Report.

Further information on the main investments is provided in *Notes 20.1.1 and 23.1.1 to the Consolidated Financial Statements* for the year ended 31 December 2023.




## 2.1.1.2. Operating Indicators

### EU3



#### OPERATING METRICS

	2021	2022	2023
<b>Net installed capacity (MW)</b>	21,140	22,044	21,247
<b>Conventional thermal</b>	3,978	3,978	2,575
Oil	2,334	2,333	2,334
Coal	1,644	1,644	241
<b>Nuclear plant</b>	3,328	3,328	3,328
<b>Combined cycle</b>	5,445	5,445	5,445
<b>Renewable</b>	8,390	9,293	9,899
Hydroelectric	4,746	4,746	4,746
Wind	2,546	2,882	2,884
Photovoltaic	1,097	1,665	2,269
Other	1	0,5	0
<b>Net electricity production (GWh)<sup>1</sup></b>	57,592	64,716	60,264
<b>Conventional thermal</b>	4,853	5,447	4,575
Oil	4,077	4,450	4,505
Coal	776	997	70
<b>Nuclear</b>	25,504	26,508	24,865
<b>Combined cycle</b>	14,441	20,720	15,940
<b>Renewable</b>	12,794	12,041	14,212
Hydroelectric	6,122	4,477	5,083
Wind	5,605	5,709	6,392
Photovoltaic	1,066	1,854	2,736
Other	1	1	1
<b>Electricity sales to the end customer (GWh)</b>	79,458	79,003	77,688
Regulated price	10,705	8,210	7,515
Deregulated market <sup>2</sup>	68,753	70,793	70,173
<b>Number of electricity customers<sup>3</sup> (thousand)</b>	10,251	10,545	10,522
Regulated market <sup>4</sup>	4,373	3,716	3,629
Deregulated market <sup>2</sup>	5,878	6,829	6,893
<b>Gas sales (GWh)<sup>5</sup></b>	76,991	63,756	64,880
Deregulated market	41,147	40,420	30,971
Regulated market	1,318	1,258	2,182
International market	17,765	15,402	13,232

Wholesale business	16,761	6,676	20,677
<b>Number of gas customers<sup>3</sup> (thousand)</b> 	1,684	<b>1,799</b>	<b>1,829</b>
Regulated market	232	313	442
Deregulated market	1,452	1,486	1,387
<b>Energy distributed<sup>6</sup> (GWh)</b> 	131,090	131,813	<b>136,363</b>
<b>Number of employees (final workforce)</b> 	9,258	9,258	<b>9,035</b>

<sup>1</sup> At power plant busbar.

<sup>2</sup> To provide coherent economic data for this business, includes sales made by Endesa Energía and customers in European countries outside of Spain and Portugal.

<sup>3</sup> Supply points.

<sup>4</sup> Tariff customers. Does not include access customers.

<sup>5</sup> Excluding own generation consumption.

<sup>6</sup> Energy supplied to customers, with or without a contract, auxiliary consumption from generators and outputs to other grids (transmission and distribution).

## 2.1.1.3. Sustainable Indicators

### 2.1.1.3.1. Wealth Generation

#### 201-1



**22,352** million euros

**DIRECT ECONOMIC VALUE  
CREATION**

-28.32% compared to FY 2022.



**20,899** million euros

**ECONOMIC VALUE  
DISTRIBUTED**

-27.2% compared to FY 2022.



**1,453** million euros

**ECONOMIC VALUE  
RETAINED**

-41.08% compared to FY 2022.

Endesa's activity, as a producer and supplier of electricity, contributes to economic and social development in the countries in which it operates.

The economic value generated and distributed by Endesa in 2021, 2022 and 2023 was as follows:

SUSTAINABLE METRICS (MILLION EUROS) <sup>1</sup>			
	2021	2022	2023
<b>Direct Economic Value Generated<sup>2</sup></b>	<b>21,639</b>	<b>31,183</b>	<b>22,352</b>
Revenue from Sales and Services	20,527	32,545	<b>25,070</b>
Other Operating Income	372	351	<b>389</b>
Net profit/ (loss) of companies accounted for using the equity method	-1	15	<b>10</b>
Income and Expenses from Energy Stock Derivatives	543	-2,217	<b>-3,172</b>
Other Gains/Losses and Financial Income	198	489	<b>55</b>
Financial income	163	236	<b>38</b>
Other results	35	253	<b>17</b>
<b>Economic Value Distributed<sup>2</sup></b>	<b>19,710</b>	<b>28,717</b>	<b>20,899</b>
Shareholders	1,522	1,679	<b>1,059</b>
Companies: Customers, Suppliers and Contractors	15,923	23,781	<b>16,484</b>
Power purchases	7,603	12,901	<b>6,944</b>
Fuel consumption	1,607	4,349	<b>2,708</b>
Transmission costs	4,425	3,603	<b>3,213</b>

### SUSTAINABLE METRICS (MILLION EUROS)<sup>1</sup>

Other variable procurements and services	1,729	2,541	3,447
(Taxes and Fees in Variable Procurements)	-568	-856	-1,132
Other fixed operating expenses	1,239	1,353	1,423
(Taxes and Fees on Fixed Costs)	-112	-110	-119
Employees	916	955	1,137
Public Administration <sup>2</sup>	1,147	1,857	1,554
Corporation Tax	467	891	303
Taxes and Fees	680	966	1,251
Investment in Social Projects <sup>3</sup>	14	17	16
Financial Community	188	428	649
Financial expense	177	343	705
Income and Expenses for Derivative Financial Instruments	11	85	-56
<b>Economic Value Retained<sup>2</sup></b>	<b>1,929</b>	<b>2,466</b>	<b>1,453</b>

<sup>1</sup> For more details on metrics, see Section 9.4. Value created for stakeholders in the Consolidated Management Report.

<sup>2</sup> See section 7: Alternative Performance Measures (APMs) of the Consolidated Management Report 2023.

<sup>3</sup> Calculated applying the "London Benchmarking Group" (LBG) methodology.

### 2.1.1.3.2. Compliance with the Objectives in the Endesa's Sustainability Plan for 2023-2025

#### ENDESA SUSTAINABILITY PLAN 2023-2025



Endesa has addressed each of the priorities and strategic pillars defined in the 2023-2025 Sustainability Plan, through more than 130 quantitative management targets, reaching an overall

rate of compliance of 96%. Overall compliance is obtained from the average value of compliance with all objectives, limiting to a maximum value of 100% for those objectives that have an over-compliance.

**PERCENTAGE OF ACHIEVEMENT OF THE OBJECTIVES OF THE 2023-2025 SUSTAINABILITY PLAN**

Line of action	% achievement
Zero emissions ambition	97%
Clean electrification	95%
Our people	96%
Global and local communities	100%
Sustainable Supply Chain	98%
Nature	95%
Growth Accelerators	100%
ESG Pillars	92%
<b>TOTAL</b>	<b>96%</b>

The 2023-2025 Sustainability Plan achieved a level of compliance close to 100% as a result of meeting or exceeding most objectives. The following are the factors that prevented us reaching 100% by just four percent:

- **Zero-emissions ambition (97% compliance):** Lower wind and hydro production due to water scarcity, especially in the basins in Endesa's areas of operation, which led to lower renewable energy production with a direct effect on CO<sub>2</sub> emissions targets.
- **Clean electrification (95% compliance):** Deviation in the installation of medium-voltage remote controls and low-voltage remote meters, in addition to the fact that, despite meeting the objective of new installations of producers in number, the target was not met in capacity, since these new installations were to a large extent for residential consumption.
- **Our people (96% compliance):** 100% compliance has not been achieved, mainly on account of the failure to meet the objective of contracting people with disabilities. Furthermore, there is a deviation in compliance with the objective of implementing work-life balance initiatives for employees, even following the implementation of a hybrid work model, and the improvement of work areas as a result of delays in the execution of the works.
- **Sustainable Supply Chain (98% Compliance):** There were slight deviations in the incorporation of sustainability measures in tenders, resulting in a value in 2023 that was three percent below the target established, and a decrease in the percentage of suppliers with a certified carbon footprint.
- **Nature (95% compliance):** There was non-compliance with the waste target due to the development of two specific actions in nuclear and thermal generation, where a large amount of unplanned waste was generated that the company is now working to assess. In addition, there are deviations in the consumption targets of the facilities caused by the difficulty of estimating the objectives due to the impact of the new work model and delays in fleet electrification.
- **ESG Pillars (92% Compliance):** Unfortunately, it was not possible to reach the target of 0 fatal accidents and there was slight non-compliance with the combined frequency index for accidents, which is now at values close to the limit.

Details of compliance with the objectives established in the 2023-2025 Plan can be found in *ANNEX IX: Meeting ESP 2023 Objectives*.

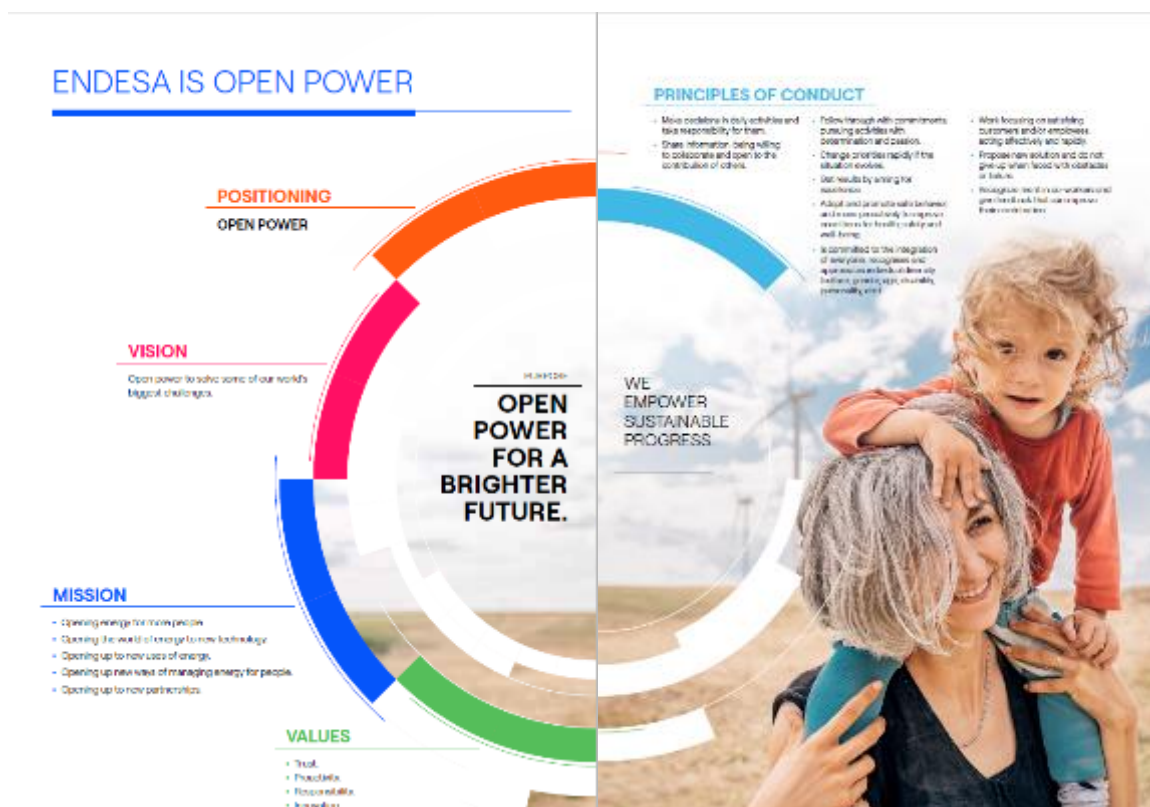
## 2.1.2. Commitment to the New Energy Model

### 2.1.2.1. Open Power Strategic Positioning

#### Our VISION: Open Power Positioning

Endesa combines the strength of its organisation with the opportunities of an open and connected world to make energy safe, affordable and sustainable.

Endesa is aware of the significant change the industry is currently experiencing, operating in a new era for energy that is more open, participative and digital. This strategic positioning is summarised in the concept of **Open Power**, which makes up the Company's mission, vision and values.



### 2.1.2.2. Sustainable Value Creation

The integration of financial and non-financial information enables effective communication of the business model and its value-creation process, both with regard to its results and to the short, medium and long-term outlook. It provides an overview for partners and stakeholders to make their business decisions with sufficient information, as environmental, social and economic aspects are becoming increasingly important.

The creation of value at Endesa is summarised in the following chart, showing the main figures for stakeholders in accordance with Endesa's organisation and business model, which are



characterised by robust and transparent corporate governance and a sustainable strategy that, among other things, prioritises achieving the Sustainable Development Goals (SDGs) 7, 9, 11 and 13.



### 2.1.2.3. Sustainable Business Model

Endesa is committed to a business model that allows the development of a fair and inclusive transition, integrating sustainability and creating value in the territories where it operates. As an essential element in the lives of people, companies and society in general, the company strives to orient its business strategy to respond to the great challenges faced by society, remaining in constant evolution to adapt to continuous social, economic and political change.

In this context of constant adaptation, the company has redefined its priorities in order to face the current context of inflation, the increase in financial costs and the new regulatory parameters, as reflected in the recent update of the Strategic Plan. The new strategy is guided by the pillars of: Profitability, flexibility and resilience with a view to defining the destination of investment, financial and environmental sustainability and operational efficiency, with the focus on cost control and maximisation of cash generation.

These strategy changes take into account all the company's stakeholders with the aim of mitigating any possible impact on them and continuing to face the main challenges together.

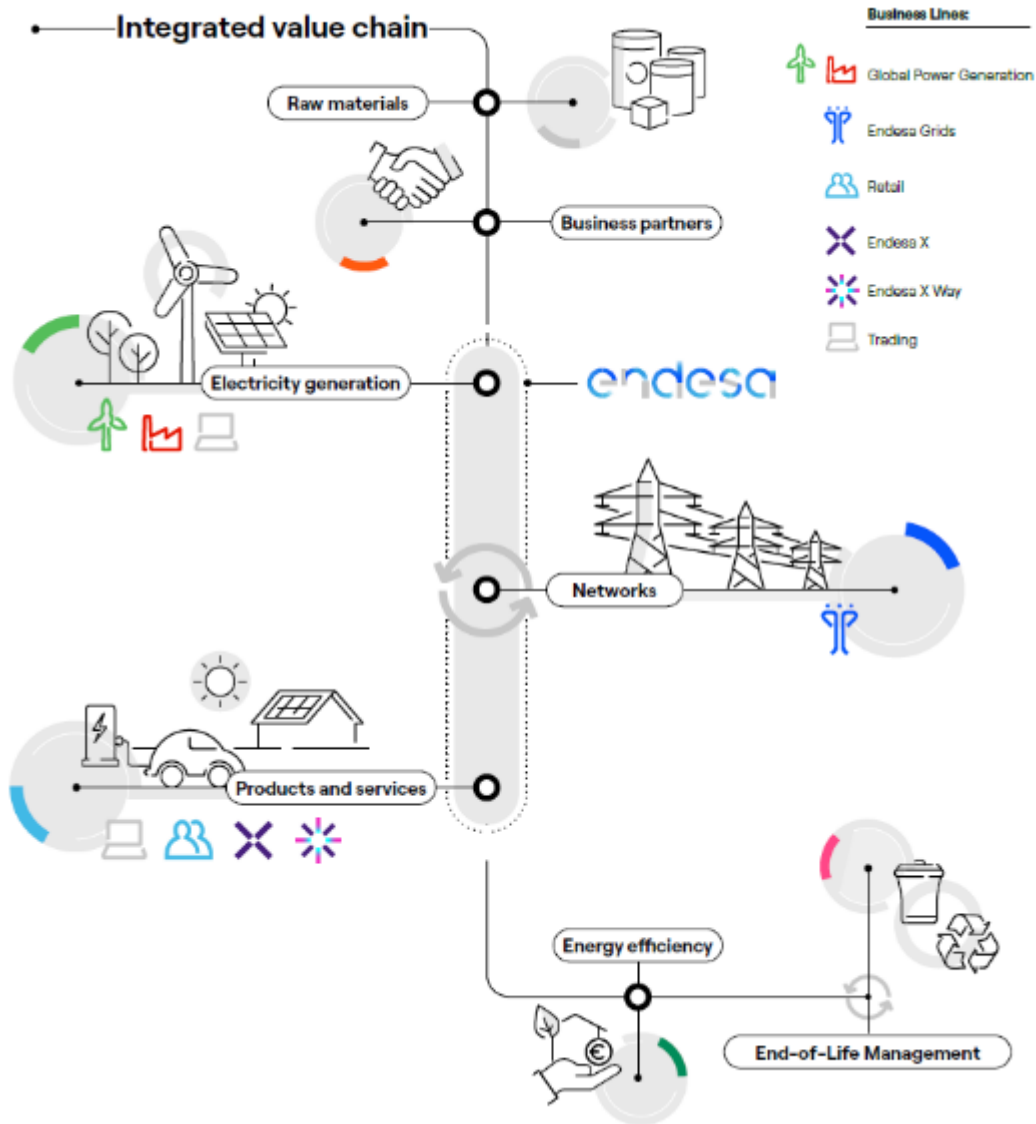
The biggest challenge currently facing the company is the promotion of an energy transition towards a decarbonisation and electrification of the current economy, which integrates an efficient development of renewable energies, abandoning fossil fuel-based technologies and leaving no one behind. The shift towards a decarbonised economy has fostered and required a transformation of the current business model, while generating great economic, environmental and social opportunities, contributing to the creation of wealth and employment, as well as the improvement of the planet.

The definition of this sustainable strategy must involve the participation of the company's stakeholders, with the aim of involving them and thus building solid and positive relationships that allow Endesa to achieve sustainable and lasting results for the company and at the same time generate a positive impact for society.

The continuous dialogue with individual stakeholders and with the organisations that represent them, through the analysis of double materiality, allows Endesa to identify priority actions to respond to the demands of its stakeholders. In this sense, since climate change is the main challenge for all its stakeholders, and aware that Endesa can play an important role in the fight against climate change, the company has identified priority actions that contribute to the Sustainable Development Goals (SDGs) and the goals of the Paris Agreement. These actions make it possible to achieve the goal of decarbonisation and thus keep the average increase in global temperature below 1.5°C compared to pre-industrial levels, commitments that Endesa is also working to extend to the entire value chain.

Developments in the environmental, social and governance landscape entail a series of risks that the Company needs to address and manage but with a strategy that is suitably targeted throughout the company's value chain, Endesa is not only mitigating risks but also taking advantage of and maximising opportunities.

As a sum of the challenges and opportunities of each of the company's business lines, the following graph illustrates the integration of sustainability throughout the value chain, reflecting Endesa's concern for a business model that can generate long-term value.



In order to monitor and evaluate the performance of its strategy, Endesa has defined a broad set of ESG metrics that it integrates into its Sustainability Plan and that establishes the company's roadmap to meet the challenges of the energy transformation, thus participating in the achievement of the Sustainable Development Goals.

The recent update of the Strategic Plan is a clear example of the integration of sustainability into our business model. About 90% of investments are geared towards achieving SDG 13 (Climate action), to which Endesa is contributing with specific actions with regard to SDG 7 (Affordable and clean energy) through the growth of renewable energy capacity, SDG 9 (Industry, innovation and infrastructure) through the digitalisation of the distribution network, and SDG 11 (Sustainable cities and communities).

Through innovation, Endesa continues to promote solutions to reduce environmental impact and meet the needs of its customers and the local communities where it operates, always guaranteeing safety for its employees and contractors.

#### **2.1.2.4. Core Business Activities**

##### **2-1/2-6**

Endesa, S.A. (hereinafter, the "Parent" or the "Company") and its subsidiaries make up the Endesa Group (hereinafter, "Endesa"). Endesa, S.A. was incorporated on 18 November 1944 and the company's registered office is located at Calle Ribera del Loira, 60 in Madrid. It was established with limited liability under Spanish law under the name Empresa Nacional de Electricidad, S.A. and changed its name to Endesa, S.A. pursuant to a resolution adopted by the General Shareholders' Meeting on 25 June 1997. Since that date there has been no subsequent change in its corporate name.

Its corporate purpose is the electricity business in all its various industrial and commercial areas; the exploitation of primary energy resources of all types; the provision of industrial services, particularly in the areas of telecommunications, water and gas and those preliminary or supplementary to the Group's corporate purpose; and management of the corporate Group, comprising investments in other companies.

The Company undertakes the activities corresponding to its corporate objective in Spain and abroad, either directly or through its investments in other companies.

Endesa's corporate purpose is mainly categorised in section D, division 35 of the Spanish Business Classification Index (CNAE in Spanish)).

Endesa, S.A. and its Subsidiaries (Endesa or the Company) carry out their activities in the electricity and gas business, mainly in the Spanish and Portuguese markets. To a lesser extent, they also retail electricity and gas in other European markets, and provide other products and services related to their main business activities.

The organisation is divided into generation, retailing and distribution activities, each of which includes electricity and, in certain cases, gas activities and other products and services.

Given the activities carried out by Endesa, S.A.'s Subsidiaries, the transactions are not of a significant cyclical or seasonal nature.

#### **2.1.2.5. Main Markets**

##### **2-1/2-6**

In order to effectively face all the risks and take advantage of all the opportunities of an ever-changing energy sector, Endesa's business model is structured into different Business Lines to act with agility in the markets where it operates and take into account the needs of its customers in the territories and businesses in which it is present.




These Business Lines correspond to the activities carried out by Endesa: Generation, distribution and retailing of electricity, gas and other products and services relating to its main business, mainly in Spain and Portugal and to a lesser extent, the retailing of electricity and gas in other European markets, particularly Germany, France and the Netherlands, from its platform in Spain.

Endesa jointly manages the generation and marketing businesses, with the exception of the production of the peninsular coal-fired thermal power plants, in such a way that it optimises this integrated position with respect to the separate management of both activities.

The markets and activities carried out by Endesa are described below:



### 2.1.2.5.1. Spanish Market

2-1

Activities	Description
<b>Electricity Generation</b> 	<p>Endesa carries out electricity generation activity in the mainland and in the non-mainland territories (TNP), the latter comprising the island territories of the Balearic and Canary Islands and the autonomous cities of Ceuta and Melilla.</p> <ul style="list-style-type: none"> <li>➤ In the mainland territory, conventional and renewable generation is a deregulated activity, although there is specific remuneration for generation from renewable energies.</li> <li>➤ Conventional generation in Non-Mainland Territories (TNP) is subject to specific regulations which address the particular nature of their geographical location, with regulated remuneration. Generation from renewable energies in the Non-Mainland Territories (TNP) has investment incentives due to a reduction in generation costs (see Note 6 of the Notes to the consolidated financial statements for the year ended December 31, 2023).</li> </ul>
<b>Retail of Electricity, Gas and other Products and Services</b> 	<p>The retail activity is deregulated and consists of the sale of energy in the market and the sale of other products and services to customers.</p>
<b>Electricity Distribution</b> 	<p>Electricity distribution is a deregulated activity involving the distribution of electricity to the consumption points.</p>

### 2.1.2.5.2. Portuguese Market

2-1

Activities	Description
<b>Electricity Generation</b> 	<p>The electricity generation activity in Portugal is carried out in a competitive environment.</p>
<b>Retail of Electricity, Gas and other Products and Services</b> 	<p>This activity is of a liberalised nature in Portugal and consists of the sale of energy on the market, as well as the sale of other products and services to the customer.</p>


### 2.1.2.6. Organisational Structure

2-1/2-2/2-6

Endesa, S.A.'s activity is structured by business lines, giving the Company flexibility and the ability to respond to the needs of its customers in the territories and businesses in which it operates.

In order to organise its different Business Lines, Endesa, S.A. primarily consists of the following Subsidiaries, which are related to the generation, distribution and retailing of energy and other products and services.

### 2.1.2.6.1. Power Generation

Companies	Description
<p><b>Power Generation:</b></p> <ul style="list-style-type: none"> <li>➤ Endesa Generación, S.A.U.</li> <li>➤ Gas y Electricidad Generación, S.A.U.</li> <li>➤ Unión Eléctrica de Canarias Generación, S.A.U.</li> <li>➤ Enel Green Power España, S.L.U. (EGPE)</li> </ul> 	<ul style="list-style-type: none"> <li>➤ Endesa Generación, S.A.U. was created on 22 September 1999 to concentrate the generation and mining assets of Endesa, S.A.</li> <li>➤ Endesa Generación, S.A.U. brings together, among others, the shares in Gas y Electricidad Generación, S.A.U. (100%) and Unión Eléctrica de Canarias Generación, S.A.U. (100%), which manage the conventional generation assets in the Non-Mainland Territories (TNP) of the Balearic and Canary Islands, respectively, and Enel Green Power España, S.L.U. (EGPE) (100%), which manages renewable energy-generation assets.</li> <li>➤ As of December 31, 2023, Endesa's total net installed capacity in Spain amounted to 21,247 MW, of which 16,884 MW were in the Peninsular Electricity System and 4,362 MW in the Non-Mainland Territories (TNP) of the Balearic Islands, Canary Islands, Ceuta and Melilla. The net installed capacity for renewables at that date stood at 9,899 MW, of which 9,800 MW correspond to the mainland Electricity System and 99 MW to Non-Mainland Territories (see <i>Section 9.1 of the Consolidated Management Report</i>).</li> <li>➤ In the 2023 business year, Endesa had a total net output of 60,264 GWh (see <i>Section 9.1 of the Consolidated Management Report</i>).</li> </ul>

## EU1

### NET INSTALLED CAPACITY


	MW		Percentage	
	2022	2023	2022	2023
Oil	2,333	<b>2,334</b>	11%	<b>11%</b>
Coal	1,644	<b>241</b>	7%	<b>1%</b>
Natural gas	5,445	<b>5,445</b>	25%	<b>25%</b>
Renewables	9,293	<b>9,899</b>	42%	<b>47%</b>
Nuclear	3,328	<b>3,328</b>	15%	<b>16%</b>
<b>Total</b>	22,044	<b>21,247</b>	100%	<b>100%</b>

## EU2


### NET ELECTRICITY PRODUCTION

	GWh		Percentage	
	2022	2023	2022	2023
Oil	4,450	<b>4,505</b>	7%	<b>8%</b>
Coal	997	<b>742</b>	2%	<b>1%</b>
Natural gas	20,720	<b>15,939</b>	32%	<b>26%</b>
Renewables	12,041	<b>14,212</b>	19%	<b>24%</b>
Nuclear	26,508	<b>24,865</b>	41%	<b>41%</b>
<b>Total</b>	64,716	<b>60,264</b>	100%	<b>100%</b>

### 2.1.2.6.2. Power Distribution

Companies	Description
<b>Power Distribution:</b> <ul style="list-style-type: none"> <li>➤ Edistribución Redes Digitales, S.L.U.</li> <li>➤ Endesa Ingeniería, S.L.U.</li> </ul> 	<ul style="list-style-type: none"> <li>➤ This Business Line includes, among others, Edistribución Redes Digitales, S.L.U. (100%), which assumes the regulated activity of electricity distribution, and Endesa Ingeniería, S.L.U. (100%) that carries out engineering and construction activities of all types of facilities related to the electricity business.</li> <li>➤ As at 31 December 2023, Endesa distributed electricity in 24 Spanish provinces (A Coruña, Almería, Badajoz, Barcelona, Cádiz, Córdoba, Girona, Granada, Huelva, Huesca, Islas Baleares, Jaén, Las Palmas, León, Lleida, Málaga, Ourense, Santa Cruz de Tenerife, Sevilla, Soria, Tarragona, Teruel, Zamora, Zaragoza) in 8 Autonomous Communities (Andalucía, Aragón, the Canary Islands, Castile-León, Catalonia, Extremadura, Galicia and the Balearic Islands) and in the Autonomous City of Ceuta, with a total extension of 195,881 km<sup>2</sup> and a population exceeding 21 million inhabitants.</li> <li>➤ The number of customers with a contract for access to Endesa's distribution networks exceeded 12 million and the total energy distributed by Endesa's networks reached 136.363 GWh in 2023 (see Section 9.1 of the consolidated management report).</li> </ul>

### 2.1.2.6.3. Retailing of Energy and other Products and Services:

Companies	Description
<b>Retailing of Energy and other Products and Services:</b> <ul style="list-style-type: none"> <li>➤ Endesa Energía, S.A.U.</li> <li>➤ Energía XXI Comercializadora de Referencia, S.L.U.</li> <li>➤ Endesa Operaciones y Servicios Comerciales, S.L.U.</li> <li>➤ Endesa X Servicios, S.L.U.</li> <li>➤ Endesa Mobility, S.L.U.</li> </ul> 	<ul style="list-style-type: none"> <li>➤ Endesa Energía, S.A.U. was created on 3 February 1998 to carry out supply activities, thus responding to the requirements arising from the liberalisation process of the Spanish electricity sector. Its core activity is the supply of energy to customers who decide to exercise their right to choose a supplier and receive service in the deregulated market and other products and services around the development of efficient energy infrastructure and maintenance services.</li> <li>➤ Endesa Energía, S.A.U. also holds 100% of the shares in Energía XXI Comercializadora de Referencia, S.L.U., a retailer in the regulated market, and Endesa Operaciones y Servicios Comerciales, S.L.U., the purpose of which is to provide commercial services related to the supply of energy.</li> <li>➤ Endesa Energía, S.A.U. also carries out supply activities in the liberalised markets of Germany, France, the Netherlands and Portugal.</li> <li>➤ In 2023, net electricity sales amounted to 77,688 GWh and, as of December 31, 2023, the customer portfolio in the electricity market consisted of 10.5 million supply points. The total volume of gas marketed in 2023 amounted to 64,880 GWh and, as of December 31, 2023, the customer portfolio in the conventional natural gas market consisted of 1.8 million supply points (see Section 9.1 of the consolidated management report).</li> <li>➤ On the other hand, Endesa X Servicios, S.L.U. aims to carry out activities for the development and marketing of new services adapted to the evolution of the energy market, and its activity focuses on 3 lines of action: "e-Home", "e-Industries" and "e-City".</li> <li>➤ Endesa X Servicios, S.L.U. also carries out development and marketing activities for new services adapted to the evolution of the energy market in Portugal.</li> <li>➤ Finally, Endesa Mobility, S.L.U. develops and retails services adapted to electric mobility or "e-Mobility" and owns Endesa's public charging stations for electric vehicles.</li> </ul>

The following corporate map shows Endesa's main subsidiaries in geographical order at 31 December 2023:





100%  
ENEL GREEN POWER ESPAÑA

61% ADRIÓN 2B	38% COMPAÑÍA SÓLICA TIERRAS ALTAS	100% ENERGÍAS PROMOCIÓN III	100% PRV ZAMORA SOLAR 1	52% PARQUE SÓLICO DEL MONTE	100% RENOVABLES TENDUEL	28% SISTEMA ELÉCTRICO DE COMPUÓN VILCARRA
100% ALANORIT DENARROLLOS	25% CORPORACIÓN SÓLICA DE CARABOCCA	100% ENERGÍAS PROMOCIÓN III	100% PRV ZAMORA SOLAR 3	80% PARQUE SÓLICO CAMINERA DE MIRANDA	42% SOLARA RENOVABLES 400	95% SISTEMAS ELÉCTRICOS MARÓN (OTIS) SIDA
100% ARINA GREEN POWER 1	100% ENERGÍA DE LOS GUADALUPE SOLAR	61% SÓLICAS VALLE DEL SERO	100% FUNDAMENTAL RECONQUISTE SYSTEM	76% PARQUE SÓLICO DE SARRANZA	40% SALTO DE SAN RAFAEL	85% SOCIEDAD SÓLICA DE ANDALUCÍA
100% ARINA GREEN POWER 2	100% ENERGÍA PV FARM 03	80% SÓLICAS DE AGASTE	100% PURARENA SOLAR 1	80% PARQUE SÓLICO DE SAN ANDRÉS	87% SAN FRANCISCO DE BORJA	50% SOCIEDAD SÓLICA EL PUNTAL
100% ARINA GREEN POWER 3	100% ENERGÍA PV FARM 04	55% SÓLICAS DE FUNDALBENTE	85% HIDROELECTRICA DE OUREA	85% PARQUE SÓLICO DE SANTA LUCÍA	45% SANTO NICOLAO COOPERACIÓN (W) ESPANOLAS	50% SOCIEDAD SÓLICA LOS LANCOS
100% ARINA GREEN POWER 4	100% EURE SOLAR 2	40% SÓLICAS DE FUENTEVENTURA	52% HISPANO GENERACIÓN DE ENERGÍA SOLAR	80% PARQUE SÓLICO FINCA DE MORGÁN	100% SAVANNA POWER SOLAR 4	40% SOLARA RENOVABLES
100% ARINA GREEN POWER 5	100% EMERITONAL CYCLP	52% SÓLICAS DE LA PROCONA	42% INFRAESTRUCTURA DE FRANCISCA PENAFLOR 220 KV	70% PARQUE SÓLICO MONTE DE LAS NAVAS	100% SAVANNA POWER SOLAR 5	96% TORRENTO GALICIA
100% ARINA POWER SOLAR 11	100% ENEL GREEN POWER ESPAÑA SOLAR 1	40% SÓLICAS DE LANZAROTE	100% INFRAESTRUCTURAS PUERTO SANTA MARÍA 220	100% PARQUE SÓLICO MURVESA	100% SAVANNA POWER SOLAR 6	100% STRENGTH DENARROLLOS
100% ARINA POWER SOLAR 12	100% ENERGÍA BASE NATURAL	60% SÓLICAS DE TENDIFE	100% INFRAESTRUCTURAS SAN SEBASTIÁN 400	82% PARQUE SÓLICO PUNTA DE TENO	100% SAVANNA POWER SOLAR 7	81% TOLTEC ENERGÍA DISTRIBUIDA
100% ARINA POWER SOLAR 13	100% ENERGÍA SÓLICA ARNICO	00% SÓLICAS DE TRIANA	52% INFRAESTRUCTURAS SAN SEBASTIÁN 220	58% PARQUE SÓLICO ORILLA DEL GARGENO	100% SAVANNA POWER SOLAR 10	42% TERRACER ENERGÍA (W) ESPANOLAS
100% ARINA POWER SOLAR 14	100% ENERGÍA SÓLICA CALDERA	85% INSTALACIONES CARMONA 400-220 KV RENOVABLES	24% INSTALACIONES SAN SEBASTIÁN 400	100% PRODUCTIVE SOLAR SYSTEMS	100% SAVANNA POWER SOLAR 13	30% TERRER RENOVABLES
100% ARINA POWER SOLAR 15	100% ENERGÍA SÓLICA GREDAL	70% EXPLORACIONES SÓLICAS DE EDUCOCHA	86% LUCAS SOSTENIBLE	30% PRODUCTORA DE ENERGÍAS	100% SAVANNA POWER SOLAR 15	100% TICO SOLAR 1
100% ARINA POWER SOLAR 16	100% ENERGÍA NETA BA CANTERA LUCERNAION	76% EXPLORACIONES SÓLICAS EL PUERTO	42% MAREA RENOVABLES	100% PROMOCIONES ENERGÉTICAS DEL BENZO	36% SECCIONADORA ALMODOVAR RENOVABLES	100% TICO SOLAR 2
100% ARINA POWER SOLAR 18	100% ENERGÍA Y NATURALEZA	62% EXPLORACIONES SÓLICAS SANTO DOMINGO DE LUNA	86% MOLANILLA RENOVABLES 400KV	87% PROMOTORES MUSEAR 400KV	100% SEGUADORES SOLARES PLANTA 2	33% TOLEDO PV
59% ATECA RENOVABLES	52% ENERGÍAS ALTERNATIVAS DEL SUR	62% EXPLORACIONES SÓLICAS SASO PLANO	27% MERCENTRALES DEL CARNAL IMPERIAL-GALLUR	32% PROYECTOS UNIVER. STABROS DE ENCI-DIAS RENOVABLES	18% SET CARMONA 400 KV RENOVABLES	8% TORO RENOVABLES 400 KV
100% BAKAL ENTERRIAS	67% ENERGÍAS DE GRANDE	50% EXPLORACIONES SÓLICAS SERRA COSTERA	21% MONTES SERRA RENOVABLES	100% PUERTO SANTA MARÍA SERRA 1	100% SHARK POWER	100% TOSERDALLMA ENERGY 1
100% BALEARES ENERGY	67% ENERGÍAS ESPECIALES DE CANGON	80% EXPLORACIONES SÓLICAS SERRA LA VERDE	100% OLIVAM PV FARM 01	100% PUERTO SANTA MARÍA ENERGÍA 2	100% SHARK POWER REN 4	61% TRANSFORMADORA ALMODOVAR RENOVABLES
100% BAFLO SOLAR	100% ENERGÍAS ESPECIALES DEL ALTO ULLA	100% FOTOVOLTAICA FUNDULLOS	33% ORADE S.A. (W) REGULACION	100% RENOVABLES ANDORRA	100% SHARK POWER REN 5	26% TRABAZO RENOVABLES
21% BOSA DEL SERO	65% ENERGÍAS ESPECIALES DEL IMPRETO	100% PRV CONCHATO 1	100% PUMPILES PV FARM 01	84% RENOVABLES MICHALES 400 KV	100% SHARK POWER REN 6	67% VILVERDE
34% BRADAFORTAS 220 RENOVABLES	82% ENERGÍAS LIMPIAS DE CARMONA	100% PRV CONCHOTOS 2 SOLAR	80% PARACENTO	66% RENOVABLES MICHALES SECURA DE LEON 400 KV	100% SHARK POWER REN 7	40% YVERSA COOPERACIÓN (W) ESPANOLAS
25% CAMPOS PROMOTORES RENOVABLES	100% ENEMA GREEN POWER 1	100% PRV GIBALBIN-JEREZ	30% RASC SÓLICO LA TORNA-LA MOLA D'EN PASQUAL	100% RENOVABLES LA PEDRERA	100% SHARK POWER REN 8	
33% CENTRAL HIDRAULICA GURIA SERRA	100% ENERGÍAS PROMOCIÓN I	100% PRV TANEA	30% RASC SÓLICO LOS ALEMAN	44% RENOVABLES MANDANARES 400 KV	100% SHARK POWER REN 9	
22% COOPERACIÓN EL SALTO (W) REGULACION	100% ENERGÍAS PROMOCIÓN II	100% PRV VILLALOBILLOS	80% PARQUE SÓLICO A CAPELADA	100% RENOVABLES MEDAVILLA	100% SHARK POWER REN 10	

The additions, removals and changes to Endesa's company map in 2023 are described in Note 7 of the Notes to the Consolidated Financial Statements for the year ended 31 December 2023.

*Annex I to the Notes to the Consolidated Financial Statements* for the year ended 31 December 2023 lists Endesa's companies and significant shareholdings.

#### 2.1.2.6.4. Activity Outside Spain

##### 2.1.2.6.4.1. Portugal

<b>Activities</b>	Endesa's presence in the Portuguese electricity system is mainly concentrated in the activities of generation and retailing of electricity in the deregulated market.
<b>Investee assets</b>	The assets owned by Endesa in 2023 totalled 855 MW of installed capacity under the ordinary regime through its holding in Elecgas.
<b>Elecgas</b>	Endesa owns 50% of Elecgas, the company that owns the gas plant, established in Pego. In turn, Endesa owns 100% of the energy produced by Elecgas, through the Tolling contract in force between both parties.
<b>Pego gas plant</b>	The Pego gas plant generated 2,841 GWh, which accounted for a 5.6% share of Portugal's total electricity consumption.
<b>Pegop</b>	Pegop, in which Endesa holds a 50% share, is responsible for operating and maintaining the Pego combined cycle plant.
<b>Endesa</b>	Endesa remains one of the main operators in the Portuguese deregulated market for electricity. By the end of the year, Endesa had supplied more than 7.04 TWh to more than 641,500 supply points, distributed as follows: More than 37,700 points with medium voltage and more than 603,800 points with low voltage. With regard to gas, supply totalled more than 2.8 TWh and there were more than 149,400 active supply points at the end of the reporting period.

##### 2.1.2.6.4.2. Other Countries

<b>Morocco</b>	Endesa is present in Morocco through a 32% stake in Energie Electrique de Tahaddart, the company that owns a 392 MW combined cycle power plant, located north of the village of Asilah, near the Tahaddart River. In 2023, the plant generated 1,677 GWh (537 GWh of which corresponded to Endesa's 32% share).
<b>France</b>	In France, Endesa supplied more than 10.1 TWh of gas in 2023 and 0.72 TWh of electricity to more than 10,600 active supply points in total.
<b>Germany</b>	In Germany, Endesa has supplied more than 2.34 TWh of electricity and almost 0.3 TWh of gas, with almost 250 active supply points in total.
<b>Netherlands</b>	In the Netherlands, the company supplied more than 0.002 TWh of electricity and 0.08 GWh of gas and at the end of the reporting period it no longer had any active supply points.

### 2.1.3. The Action

#### 3-3 Management Approach Economic Performance

Endesa has a dividend policy for period 2023-2026 which establishes that the Board of Directors will ensure that the ordinary dividend per share agreed to be distributed from each financial year is equal to 70% of the ordinary net profit attributable to the Parent in the Group's consolidated financial statements, with a minimum equal to 1 euro gross per share for the years 2023 to 2026, inclusive. The Board of Directors intends to pay the ordinary dividend exclusively in cash and in two payments (January and July) on a specific date to be confirmed for each month, which will be clearly announced.

In 2023, final returns to Endesa shareholders, calculated as the sum of the stock market return and the dividend return, was 13.67%<sup>1</sup> positive. The performance of the share price on the stock market resulted in a positive return of 4.68 %, plus a gross dividend per share of 1.5854 (€/share) that the Company distributed in July as a dividend against 2022 results, providing shareholders with a final additional dividend yield of 8.99%<sup>1</sup>.

#### 2.1.3.1 Investor and Shareholder Relations

##### 2-29

Endesa has a "Policy for communication and contacts with shareholders, institutional investors and proxy advisers", to define and establish the principles and criteria that govern communication actions and contacts with shareholders, institutional investors and proxy advisers, as well as to maximise their dissemination and ensure the quality of the information transmitted through the media, social media and other channels. In turn, the Sustainability and Corporate Governance Committee receives information on the Company's communication strategies with different stakeholders, such as employees, customers, suppliers and society in general.

During 2023, Endesa held two Non Deal Roadshows. The former was undertaken in Europe and the United States in February and March, following the presentation of results for 2022. The latter, which was also undertaken in Europe and the United States, was completed in November and December, following the presentation of an update to the 2024-2026 Strategic Plan, with a view to providing in-depth information about the Plan to the company's major investors. In these two Roadshows, Endesa met with a total of 88 investors.

Endesa also participated at 5 Reverse Roadshows in Madrid, at which meetings were held with 54 investors.

On the other hand, Endesa's Investor Relations Department attended a total of 7 international conferences on the sector, where it had the opportunity to meet with 115 investors.

As part of its daily activity, the Management of Investor Relations also provided service by telephone, e-mail and in in-person and virtual meetings to answer a total of 1,089 queries from analysts, investors and rating companies.

On 28 April 2023, Endesa's Ordinary General Meeting took place, at which all the items on the agenda were approved, reaching an attendance quorum of 84.17% of the capital.

Finally, it should be pointed out that one of the most important channels for private shareholders is the "Information for Shareholders and Investors" section on the corporate website [www.endesa.com](http://www.endesa.com).

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<sup>1</sup>See Section 7: Alternative Performance Measures (APMs) of the Consolidated Management Report 2023.

In 2023, Endesa's Shareholder Office attended to 1,758 telephone calls, made 1,265 deliveries of documentation and was visited by 49 shareholders.

For more information on the stock market performance of Endesa's shares, see *Section 18 of the consolidated management report*.

## 2.2. SUSTAINABILITY GOVERNANCE



2-9/2-12/2-13/2-14/2-17

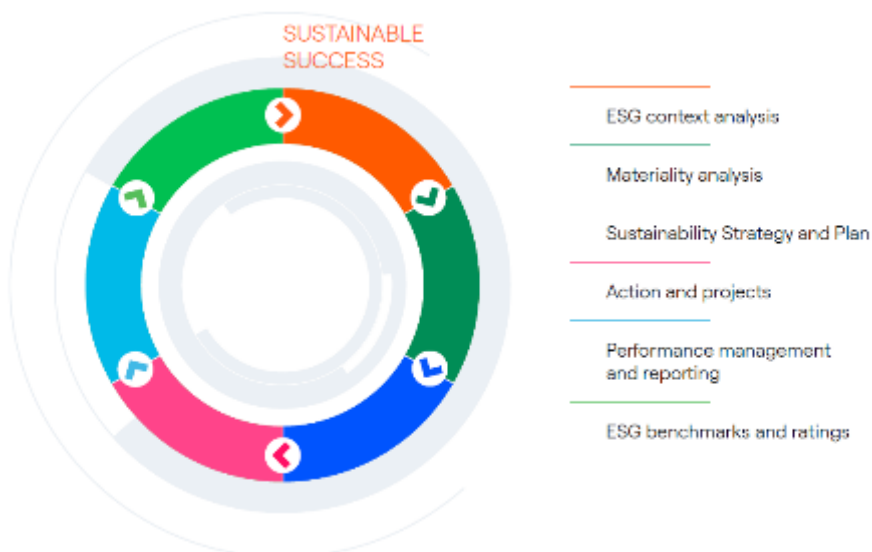
Endesa has a sustainability management and governance system inspired by best practices in order to cover the company's various strategic and operational processes at all levels, ensuring effective and efficient management, aligned with the company's purpose and values.

### Inclusion of sustainability in the strategy and processes

Endesa is committed to integrating sustainability throughout all of the company's processes, in order to meet the challenges towards a decarbonised economy.

This integration is possible thanks to a structured process that begins with an analysis of the environmental, social and governance (ESG) context that allows the identification of the main macro trends and an understanding of the current situation in which the company operates. This context is crucial for Endesa to make progress in identifying real and potential impacts through its activities, as well as to establish actions and plan its strategy in the short, medium and long term. This planning is supported by the development of specific projects and initiatives that allow compliance with the main objectives designed in terms of sustainability and that serve as a roadmap for performance improvement.

Proper monitoring of the different ESG metrics allows Endesa to maintain its commitment to reporting, guaranteeing transparency and access to information for all stakeholders. This also allows the evaluations of ESG rating agencies, which serve to support investors in assessing the sustainability of Endesa's business model.



## Sustainability Governance Model in Endesa

Endesa's management and governance model ensures that sustainability issues are taken into account, involving all areas of the company, through a definition of specific responsibilities in decision-making.

The Board of Directors plays a central role in corporate management, and ensures the supervision of sustainability, either directly or through the Sustainability and Corporate Governance Committee, created in 2020. This Committee currently consists of three independent directors and one non-executive director, and there is parity between genders. The Chairman has been appointed by the Board of Directors from among the independent directors who are part of the Committee.

Each year, the Sustainability and Corporate Governance Committee establishes a work programme that includes specific objectives with regard to each of its functions and an annual schedule of meetings. The Committee meets in accordance with this schedule, as well as whenever called by the Chairman, when so decided by a majority of its members or at the request of the Board of Directors, with a minimum of four meetings per year.

This Committee is informed at all times of the latest trends, regulations and standards, national and international, in terms of sustainability in order to promote the skills of its members and thus guarantee the complete knowledge of the highest governing body in these matters.

Thus, the Board of Directors, through the assignment of functions to the Sustainability and Corporate Governance Committee, is responsible for the actions described in Article 25 - Sustainability and Corporate Governance Committee (25.8) of Title VI Committees of the Board of Directors.

Board of Directors Regulations	<a href="https://www.endesa.com/content/dam/enel-es/endesa-en/home/investors/corporategovernance/internalregulations/documents/Reqlameto-Consejo_20_06_2023_EN.pdf">https://www.endesa.com/content/dam/enel-es/endesa-en/home/investors/corporategovernance/internalregulations/documents/Reqlameto-Consejo_20_06_2023_EN.pdf</a>
Sustainability and governance committee regulations	<a href="https://www.endesa.com/content/dam/enel-es/endesa-en/home/investors/corporategovernance/internalregulations/documents/Reqlameto%20CSGC_21.02.2022_EN.pdf">https://www.endesa.com/content/dam/enel-es/endesa-en/home/investors/corporategovernance/internalregulations/documents/Reqlameto%20CSGC_21.02.2022_EN.pdf</a>
Audit and Compliance Committee Regulations	<a href="https://www.endesa.com/content/dam/enel-es/endesa-en/home/investors/corporategovernance/internalregulations/documents/Reqlameto-CAC_20_06_2023_EN.pdf">https://www.endesa.com/content/dam/enel-es/endesa-en/home/investors/corporategovernance/internalregulations/documents/Reqlameto-CAC_20_06_2023_EN.pdf</a>

Endesa also has an Audit and Compliance Committee whose tasks include the following:

- Supervising and evaluating the process of preparing and submitting the Company's, and Endesa's, mandatory financial and non-financial reporting and submitting recommendations or proposals to the Board of Directors with the aim of safeguarding its integrity.
- Supervising the effectiveness of internal controls over the Company's financial and non-financial reporting, which must include receiving reports from those responsible for internal control and internal audit and drawing conclusions about the system's confidence and reliability level, and reporting to the Board of Directors, as well as discussing any significant weaknesses in the internal control system detected during the audit with the External Auditor.

On the other hand, the Executive Management Committee, composed of the Chief Executive Officer and the General Managers, is the executive body responsible for developing and implementing Endesa's sustainability strategy and ensuring the integration of social, environmental and ethical aspects in the decision-making processes carried out at the highest level. The General Directorate of Sustainability, which depends directly to the Chief Executive Officer and is also present on the Executive Management Committee, plays a key role in mobilising and promoting Endesa's sustainability strategy.

Sustainability management in Endesa is transversal throughout for the entire company as part of the deployment of the sustainability strategy and incorporating Endesa's local peculiarities.

- The management committees of the business lines, chaired by the general manager of the business line, have always a sustainability representative present on behalf of the General Directorate for Sustainability.
- The regional sustainability committees, chaired by the Company's highest representative in the territory, ensuring maximum coordination with the General Sustainability Directorate, have as their main functions including enhancing and supplementing the lines of action established in the sustainability plan by fine-tuning ENDESA's performance to local conditions and making the objectives and commitments a reality on the ground.

### 2.3. WHAT IS IMPORTANT FOR US

With the firm objective of building a better future for all and in the face of a world that continues to face great challenges, Endesa strives every year to, supported by innovation, remain leaders in the energy sector and bring safe, affordable and sustainable energy to millions of people.

Endesa takes into account the main social, environmental and economic trends and, through its sustainable business model, integrates and responds to the main concerns and priorities of its stakeholders. The company seeks to create long-term relationships with its customers, employees, suppliers, investors and society at large.

This vision of the company and the needs of its main stakeholders, as well as the trends and sustainability context of the sector in which Endesa operates, are collected annually through a materiality analysis. This analysis is considered key to ensuring a sustainable business model that incorporates social, environmental and ethical aspects in decision-making and, therefore, in the company's strategy.

Materiality analysis allows, through its double perspective and its constant evolution, the identification of the impacts that the company generates on society and the environment through its operations, as well as the identification of risks and opportunities that may arise from external aspects related to sustainability. The evaluation and prioritisation of these impacts, risks and opportunities, as well as the levels of performance in sustainability matters granted by stakeholders, allows Endesa to establish its priorities and relevance of the issues to be managed.

Endesa also keeps its sustainability strategy continuously updated, as reflected in its sustainability plan, which complements its strategic plan and sets goals for all its business and corporate areas over a three-year time horizon. For this, it is important for the company to have a presence in the main forums and working groups at national and international level in order to be able to capture the best and most recent practices, as well as to establish the main challenges of the future together with other leading companies.

Ensuring that each strategic change has as little negative impact on stakeholders as possible is one of the priorities for the company as it seeks to build long-term relationships. To this end, Endesa has tools that allow it to mitigate the impact of its operations and involve stakeholders in its decision-making, through a continuous dialogue through the different communication channels.

For all the above-mentioned reasons, and always working on the anticipation and speedy implementation of the main regulatory changes in the field of sustainability, Endesa has identified the issues it considers significant and on which information will be provided throughout this document.



## MATERIAL TOPICS

ENVIRONMENTAL	 Climate change.	 Water resources management.	 Biodiversity and ecosystem preservation.	
	 Sustainable supply chain.	 People management, diversity and inclusion.	 Engaging the local and global communities.	 Health and safety.
	 Customer focus.	 Corporate conduct and ethics.	 Economic value creation.	 Circular economy.
BUSINESS & GOVERNANCE	 Electrification of uses.	 Grids Improvement and development.	 Digital transformation.	

In addition to the material topics described in the table above, there are other topics that Endesa believes it is important to report on in this document, although they are not identified as relevant as a result of the double materiality analysis, due to the relevance of the topic for a specific group of interest or for the company itself. These topics are waste, air, water and soil quality, sound governance and innovation and sustainability.

## 2.4. OUR STRATEGY FOR SUSTAINABLE PROGRESS



Endesa has a strategy focused on sustainable progress, based on three fundamental pillars: The transition to a low-carbon economy, sustainable development in the communities in which it operates and the promotion of responsible energy use.

To promote the transition to a low-carbon economy, Endesa is investing in renewable technologies and abandoning its generation activity with fossil fuel-based technologies, with the aim of reducing its greenhouse gas emissions, as well as improving its energy efficiency. In addition, it extends this commitment to its supply chain, encompassing Scope 1, 2 and 3 emissions, all with the ambition to reach net zero emissions by 2040. In addition, the company is working on innovative projects for the storage and distribution of energy more efficiently, while having a wide catalogue of products and services to promote the clean electrification of other sectors and help them in their decarbonisation process.

Endesa wants to carry out the energy transition in a fair way, paying special attention to the communities that are affected by this challenge. Endesa is committed to collaborating with local organisations and supporting socio-economic, educational and cultural projects that promote the sustainable development of local communities, with a special focus on those affected by the closures of their thermal power plants. In addition, all the renewable development being carried out by the company is accompanied by socio-economic plans for the territories in which it operates.

In addition, the company promotes education and awareness on the responsible use of energy, offering programs and services to help its customers reduce their energy consumption, optimise their costs and advance in the transition to an electrified future.

All of the above demonstrates Endesa's clear strategy and commitment to the decarbonisation of the economy, through an emission-free energy mix, taking into account the impact it will have on society.

### 2.4.1. Risk Management



#### 2.4.1.1. General Risk Control and Management Policy

The General Risk Control and Management Policy establishes the basic principles and the general framework to control and manage risks of any kind that could affect the attainment of targets, ensuring that they are systematically identified, analysed, assessed, managed and controlled within the risk levels set. The Policy identifies the different types of financial and non-financial risks (including operational, technological, legal, social, environmental, political and reputational risks, including those related to corruption) faced by the company, including financial or economic risks, contingent liabilities and other off-balance sheet risks.

The purpose of this Policy is to guide and direct the set of strategic, organisational and operational actions that allow Endesa's Board of Directors to precisely define the acceptable level of risk. This allows the managers of the different lines of business, staff and service functions to maximise the profitability of the Company, the preservation or increase of its equity and guarantee certainty in its achievement above certain levels. The purpose is to prevent uncertain and future events from negatively influencing the fulfilment of the profitability objectives set, its operations, sustainability, resilience or its reputation in a sustained manner over time, providing an adequate level of guarantees to shareholders and safeguarding their interests, those of customers and other stakeholders.

The General Risk Control and Management Policy is prepared and completed together with other risk policies specific to the lines of business, staff and service functions, as well as within the limits established for the optimal risk management for each of these. It is also materialised through an Internal Control and Risk Management System (SCIGR), which includes an organisation, principles, a regulatory system and a risk control and management process.

This system follows a model that is based firstly on an ongoing study of the risk profile, applying current best practices in the energy sector or referred to with regard to risk management, based on the criteria of uniformity of measurements for the same type of risk, on the separation of risk *controllers* and managers, and secondly, ensuring the connection between risks assumed and the resources required to operate the business while ensuring respect for a suitable balance between the risk assumed and the targets defined by Endesa's Board of Directors.

The risk control and management model implemented in the Company is aligned with international standards based on a three-line defence model, as described in the General Risk Management and Control Policy<sup>2</sup> published on the company's website.

The organisation of the Internal Risk Control and Management System is undertaken through the independent risk management and risk control functions thereby ensuring a suitable separation of functions.

The General Risk Control and Management Policy defines the Internal Control and Risk Management System as an interlocking system of rules, processes, controls and information systems. This Policy defines global risk as that resulting from a comprehensive view of all the risks to which the company is exposed, taking into consideration the mitigation effects between the different exposures and categories thereof. This allows the consolidation and assessment of the risk exposures of the different units of the company, as well as the preparation of the corresponding management information for decision-making in terms of risk and appropriate use of capital.

The Policy, which is established and approved by the Board of Directors, is the core element of the system, from which other specific documents and policies derive, such as the "Tax Risk Control and Management Policy" and the "Criminal and Anti-Bribery Risk Prevention Policy",

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<sup>2</sup>[https://www.endesa.com/content/dam/enel-es/endesa-en/home/investors/corporategovernance/corporatepolicies/documents/Pol%C3%ADtica%20gesti%C3%B3n%20y%20control%20de%20riesgos%2012\\_12\\_2020\\_EN.pdf](https://www.endesa.com/content/dam/enel-es/endesa-en/home/investors/corporategovernance/corporatepolicies/documents/Pol%C3%ADtica%20gesti%C3%B3n%20y%20control%20de%20riesgos%2012_12_2020_EN.pdf)

which are also approved by Endesa's Board of Directors and which define the risk and control catalogues.

In addition, given the increased interest in the management and control of the risks to which companies are exposed, and given the complexity that their identification is acquiring from a comprehensive perspective, the participation of employees at all levels in this process is important. A risk mailbox has now been created for employees to help identify market risks and suggest measures to mitigate them, complementing the existing "top-down" risk management and control systems and mailboxes and specific procedures for sending communications in connection with breaches of ethical conduct and criminal, tax and labour risks.

#### **2.4.1.2. Risk Control and Management Governance**

Endesa has established a Risk Control and Management Process that allows it to obtain a complete view of all the risks to which it is exposed. This enables the mitigation effects between the different exposures and categories of such risks to be taken into consideration, as well as the preparation of the corresponding management information for decision-making with regard to risk and the suitable use of capital.

The Risk Committee oversees the management and monitoring of all risks, including specifically tax risks, excluding those of a criminal nature and those related to the internal control of financial and non-financial information. Risks of a criminal nature and those related to the internal control of financial and non-financial information are supervised by the Supervision Committee for the Criminal and Anti-Bribery Risk Prevention Model and by the Transparency Committee respectively. The results of the deliberations and conclusions of each of these three Committees are transferred to the Audit and Compliance Committee (CAC) of the Board of Directors of Endesa.

The Risk Committee has delegated the definition of the procedures and standards for the internal control and risk management system to the Risk Control area. These ensure that, in a homogeneous and periodic manner, all risks in its area of responsibility that affect the entity are identified, characterised, quantified and properly managed, including off-balance sheet risks, as well as monitoring risk exposure and the control activities implemented. To carry out its functions, Risk Control relies on other areas and committees that have specific and complementary risk control and management models and policies.

The members of the Risk Committee regularly receive reports on risk and the status of the indicators defined in the risk appetite framework, as well as any possible breach of the limits defined for each of them. The Risk Committee makes suitable reports to the management bodies (Audit and Compliance Committee).

According to the latest report by PwC, which assessed the performance of the internal risk control and management function, Endesa is one of the listed companies and one of the companies in the electricity sector most closely aligned with applicable best practices. This evaluation complies with the provisions of the regulations of the Audit and Compliance Committee, which indicates that an evaluation of the performance of the internal risk control and management function will be carried out periodically by an independent external party, which will be selected by the Audit and Compliance Committee.

#### **2.4.1.3. Risk Management for Stakeholders**

Endesa involves its stakeholders, not only at the strategic level of the company but also at the project level. For more information on engagement at the strategic level, see Chapter 3. *Double Materiality*.

The involvement of stakeholders at a local level enables a deep understanding of the local context to be obtained, as well as an analysis of sensitivity with regard to risks and opportunities relating to the project/business asset. Support plans are also being developed to improve their integration into the environment with the focus on remaining in the territory for the long term.

This involves a participatory process of active listening to local stakeholders that starts long before the execution of the project begins, and which has a number of objectives:

- Transparently sharing with local stakeholders all the significant information with regard to the project in order to gather feedback about it well in advance so it can be incorporated into the actual project.
- Identifying together with these local agents opportunities for collaboration that may be incorporated into the support plan or the creation of shared value, with the aim of providing additional value to Business As Usual for a project.

Some of the potential risks identified are participation fatigue, conflicts of interest, disruptive stakeholders, or unwillingness to participate. These risks are managed through different means, such as:

- Ensure that all stakeholders are properly involved and that their grievances are heard and understood. The Company seeks to foster an environment in which a proactive dialogue can be constructed with any type of stakeholder, both when defining the strategy and when deploying it locally as part of its operations. This has led Endesa to focus on the creation of shared value which is used to follow up on contacts and participative actions, as well as on the key problems raised throughout the project's lifetime.
- Analysing the possible relationship between stakeholders and the company before developing the project to avoid any potential conflicts of interest, as well as providing common approaches to the company's representatives in the local community.
- Share all information about the project that is relevant to the affected stakeholders as a precondition for promoting dialogue and transparent relations, always ensuring that consultation processes meet specific quality conditions.
- Ensuring community involvement through communication and grievance mechanisms that make it possible for stakeholders to easily get in contact with the company using locally available tools and means.
- Facilitating and supporting the involvement of communities in the monitoring of projects through local training, transparent information on the different phases of the project, transparency in the provision of information on the methodology for defining the affected areas and involvement of community representatives in the follow-up phase. Furthermore, involving independent third parties in the negotiation processes as "bona fide witnesses", where applicable.

#### 2.4.1.4. Key ESG Risks

##### 201-2

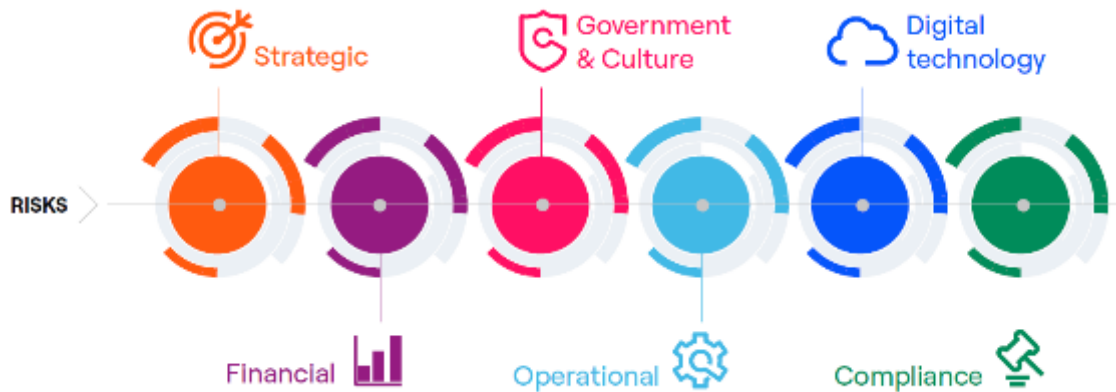
Due to the nature of its business and the sustainability context in which Endesa carries out its activity, the company is exposed to several types of environmental, social and governance risks that it must manage and mitigate.

The identification of these potential ESG risks has been based on:

Double materiality analysis	Through the double materiality process, Endesa has identified, together with its main stakeholders, impacts, risks and opportunities derived from its activity on the environment and people, or that may affect the company's financial position. For more details of the results, see Chapter 3. <i>Materiality</i> .
World Economic Forum Global Risks Report	A global risk perception survey with a time horizon of 2 to 10 years with the participation of more than 1,200 experts from all over the world.
Endesa's Risk Framework	Risk catalogue that represents a reference point with a common language that facilitates the mapping and comprehensive representation of risks within Endesa.

Analysis of ESG rating agencies Assessment of the ESG performance of MSCI and *Sustainalytics* which enables exposure to the different risks identified in the analysis to be obtained


The result of this analysis identifies and prioritises, in order of relevance, eleven ESG risks with a potential impact on the company. These risks fall into some of the following risk categories defined by the company.



The process described above allows Endesa to identify ESG risks over a short, medium and long-term time horizon, highlighting climate change, with a strategic impact on the company's operations.

In order to properly manage the risks, Endesa analyses the potential impact of each of them, establishing management and mitigation measures for the eleven risks identified, the details of which can be seen in the following table:


#### IDENTIFICATION AND DESCRIPTION OF THE MAIN ESG RISKS FOR ENDESA

Risk	Description	Potential impact on Endesa	Main Management and Mitigation Measures
 <b>Climate change</b>	<p>Insufficient efforts on the part of governments, companies and individuals to comply with effective climate change mitigation and adaptation measures. The most significant risks that can occur are:</p> <ul style="list-style-type: none"> <li>➤ Physical Hazards: Chronic risks with consequences for the operation of assets due to an increase in temperature, the availability of renewable</li> </ul>	<p>Economic or financial losses, reputational damage and increased costs due to ineffective internal frameworks aimed at identifying, assessing and managing climate change-related impacts. Physical risks include extreme events that can have an impact in terms of damage to installations, as well as reducing their availability, with a potential impact with regard to the costs involved in restoring services, inconvenience for customers or impact. The potential impact could affect both distribution networks</p>	<p>Endesa maintains its commitment to the fight against climate change through its decarbonisation path aligned with the 1.5°C target, as reflected in the recent update of the 2024-2026 strategic plan. The path towards full decarbonisation will enable Endesa to become a Net Zero company by 2024, maintaining the expected phasing out of coal in the industrial business by 2027. This Plan maintains an investment of 4,300 million euros for renewable energies, the same amount as in the previous plan, with a greater preponderance for wind technology to reach 13,900 MW of renewable capacity by the end of 2026. Endesa also has environmental management systems for all its generation and distribution assets, certified by ISO 14001 and aimed at promoting excellence in environmental management and going beyond the requirements established in environmental legislation. The company also participates actively and continuously over time both in national and international initiatives and in the development of studies and projects in order to deepen the evaluation of the impacts of climate change on the</p>

## IDENTIFICATION AND DESCRIPTION OF THE MAIN ESG RISKS FOR ENDESA

Risk	Description	Potential impact on Endesa	Main Management and Mitigation Measures
	<p>resources (water, wind and sun) and factors affecting the frequency and intensity of events.</p> <p>➤ Transition Risks: Impact due to changing legislative and market changes associated with the energy transition process, and changes in generation technology.</p>	<p>and power plants. As regards chronic physical risks, renewable energy production may be affected by structural changes in the availability of renewable resources and demand for electricity due to changing temperatures. Transition risks can lead to an increase in regulatory pressure to speed up the transition towards an energy mix free from greenhouse gas emissions (CO2 regulation, absence of price signal between different energy alternatives) as well as an increase in demand amongst investors with regard to how the impact of the different climate change scenarios is managed. In addition, there could be economic losses derived from the unavailability of water for electricity generation processes in the face of long-lasting drought scenarios.</p>	<p>infrastructure elements that allow it to establish adaptation measures to minimise risks. Vulnerability studies are being made in order to assess the exposure of assets to the effects of climate change, enabling mitigation measures to be adopted.</p> <p>By gradually integrating climate and transition scenarios, combined with the development of energy system models at a country level, it is possible to intercept the effects on variables such as demand for electricity, the system's energy mix and the electrification of consumption. These activities make it possible to identify and assess related risks and opportunities.</p> <p>The management of meteorological and climatic phenomena adopts the best strategies for prevention, protection and enhancement of resilience, in addition to carrying out weather forecasting activities. What is more, best practices in physical events are being implemented to ensure operations are restored quickly in case of adverse circumstances.</p> <p>Endesa monitors its carbon footprint and maintains strict compliance with emission limit values. For more details on the risks associated with Climate Change, see section 4.1.4.1. <i>Chronic and acute physical risks and opportunities</i> in chapter 4.1. <i>Our zero emissions ambition</i>.</p>
<b>Macroeconomic and geopolitical instability</b>	<p>Inability to control the general level of prices of goods and services, including commodities, causing an unmanageable increase in inflation at a global level and a trend of economic growth at very low rates over an extended period. Additionally, deployment of economic levers by global or regional powers to decouple economic interactions between nations, restricting goods and services, with the intention of obtaining geopolitical advantages and</p>	<p>Economic losses resulting from lower demand (for energy and value added products and services) and increased energy costs.</p> <p>Potential financial losses and slowdown of investments due to the high uncertainty presented by geopolitical instability in the deployment of business operations, supply chain management or the guarantee of continuity and quality of supply.</p> <p>Difficulty in attracting capital and potential economic and financial losses due to regulatory changes at</p>	<p>The targets for decarbonisation communicated in the company's latest strategic plan are in line with obtaining a position of independence in the energy model, meaning that the medium- and long-term strategy is not affected by geo-economic conflicts such as that recently occurring in Europe. Investment and increasing renewable capacity is identified as a mitigating action.</p> <p>The company is also taking measures to intensify relations with the government and regulatory bodies by adopting an approach focussing on transparency, collaboration and proactivity to address and eliminate any sources of instability.</p>

## IDENTIFICATION AND DESCRIPTION OF THE MAIN ESG RISKS FOR ENDESA

Risk	Description	Potential impact on Endesa	Main Management and Mitigation Measures
	consolidating spheres of influence.	the national and international level.	
<b>Competitive environment</b>	New business models that revolve around customers increase the difficulty in meeting customer expectations and needs in terms of quality, accessibility, sustainability and innovation.	The emergence of new competitors and customer demands for sustainable energy supplies can disrupt the company's customer portfolios, increasing turnover and causing economic losses.	<p>Given the nature of the business in which Endesa operates, important action to mitigate this risk includes correctly orienting strategic development guidelines, taking into account developments in the competitive landscape and by continuously monitoring it.</p> <p>With the aim of capturing this changing demand towards a sustainable business model, Endesa, through its latest strategic plan, raises investment to 8,900 million euros until 2026 to grow in clean electrification. The creation of a clean energy mix supported by a more efficient, resilient and digitalised grid, together with an investment of 900 million euros until 2026 aimed at customers, will be Endesa's lever to provide valuable services and a good customer experience with a view to promoting loyalty.</p> <p>The company has established a key objective for the promotion of electrification of ensuring that about 90% of its energy sold to customers at a fixed price comes from non-emitting sources by 2026. The integrated unit margin for the deregulated electricity business will also remain stable during this time frame.</p>
			
<b>Social opposition</b>	Loss of share capital and fracture in communities due to a disconnection between the priorities of key stakeholders and the perceived priorities in the company's strategic positioning and operational deployment.	Delays in the implementation and execution of new projects and negative impacts on operational continuity, economic-financial and reputational aspects resulting from conflicts and rejections by some sectors of local communities to the operation of existing installations and the implementation of new solutions that favour the energy transition.	<p>Endesa, through its methodology of creating shared value in the environment of its local operations, integrates environmental and social factors into corporate processes and throughout the entire value chain. From an operational point of view, the company proactively engages with local communities, through active listening, to identify their main needs, which are then integrated into action plans, the implementation of which is constantly monitored.</p> <p>Endesa is also promoting Just Energy Transition through both global (including public commitments and awareness) and local improvement actions, such as the Futur-e programme, with a view to finding sustainable solutions (mainly focussed on employment and the development of alternative economic activities) for the areas affected by the closure of coal-fired plants.</p> <p>In addition, the company is developing different actions to facilitate access to energy for vulnerable groups.</p> <p>Finally, Endesa continues to maintain maximum transparency to share its strategy and performance with all its stakeholders through its different communication channels. Endesa collects the needs of its stakeholders and collects information on how to integrate and improve the effectiveness of its non-financial information through the company's different communication channels.</p>



<p><b>Non-availability of natural resources and legislative development in environmental issues</b></p>	<p>Scarcity of commodities and natural resources on a global scale as a result of human overexploitation and/or mismanagement of resources, as well as damage to ecosystems as a result of industrial operations and development of more restrictive legislative and regulatory frameworks to reduce the impact on natural resources of human activity.</p>	<p>Economic losses derived from the unavailability of essential materials to guarantee the energy transition. Possible environmental penalties derived from the potential triggering of environmental incidents in the operation of power plants or directly from the impact on biodiversity through distribution networks or renewable energy plants.</p> <p>In addition, the increase in restrictions and requirements by institutions in environmental regulations that imply the introduction of new conditions in the authorisation of new facilities and in the operation of existing ones could cause economic losses and penalties.</p>	<p>The protection of biodiversity, natural capital and ecosystem services are integrated into Endesa's business strategy, committing to the implementation of structured policies and procedures to identify and manage the associated environmental risks and opportunities. Through the Sustainability Plan, Endesa sets biodiversity targets in order to mitigate the risk of environmental impacts.</p> <p>The Biodiversity Conservation Plan is integrated into the Biodiversity policy as one of the most relevant facets. One of the objectives of this plan is no net loss of biodiversity and no net deforestation in 2030. Furthermore, Endesa develops projects for the protection, conservation and enhancement of Biodiversity, promotes the increase of scientific knowledge, seeks synergies that foment conservation and develops tools that help to understand the interaction of biodiversity with the activity it undertakes.</p> <p>The risk of water scarcity is directly mitigated by Endesa's business strategy, which bases its growth on its commitment to generation from renewable sources (wind and solar) and the setting of objectives in the 2024-2026 sustainability strategic plan to reduce water consumption.</p> <p>For further information, see Chapter 4.5 <i>Nature</i>.</p>
<p><b>Workplace illnesses and accident rate</b></p>	<p>Failure to comply with laws, regulations and internal procedures in workplaces, assets and processes exposes the company and its own personnel and contractors to health and safety-related risks.</p> <p>There has also been a large-scale increase in chronic deterioration of physical health conditions and mental health disorders that could adversely affect the well-being of employees and third parties.</p>	<p>Possible legal or administrative sanctions, economic or financial losses and reputational damage as a result of a potential breach of international, national or local laws and regulations on health and safety, as well as accidents occurring in the company's operational environment.</p> <p>An increase in business activity as a result of increased investment in the development of new installations may increase the probability of risk occurring.</p> <p>Endesa could see the productivity of its staff affected by the incidence of physical and mental health problems.</p>	<p>The protection of the health and safety of people and collaborators is a priority value in Endesa's corporate culture, as reflected in both the management policy and associated procedures and the Occupational Health and Safety Management System for Endesa and its Businesses and the corresponding Operating Standards in Technical Instructions.</p> <p>Extending the priority from in-house to subcontracted personnel, health and safety are closely monitored by Senior Management, with performance being one of the indicators that determines variable remuneration.</p> <p>Within Endesa, as stipulated by Law 31/1995 on workplace risk prevention and the regulations that develop it, the prevention and protection service has been organised with the figure "Joint Prevention Service" with a series of tasks to be carried out. The company has a structured health management system, based on prevention and protective measures, which also plays a role in the development of a corporate culture aimed at promoting the psychophysical health and organisational well-being of workers, as well as helping to balance personal and professional life. It is also prepared to address any possible scenario resulting from infectious diseases.</p> <p>For more details, see Chapter 4.7.3. <i>Occupational Health and Safety</i>.</p>
<p><b>Rising cost of living</b></p>	<p>Difficulties for large sectors of the population to</p>	<p>Need for strategic planning and capital allocation to respond to</p>	<p>In line with its commitment to the development and well-being of society, Endesa promotes initiatives to facilitate access to energy for all, guaranteeing</p>

	<p>maintain their current lifestyle due to increases in the cost of essential goods that are not matched by an increase in real household income.</p>	<p>the increase in vulnerable customers and ensure a quality service that guarantees well-being.</p> <p>Risk of incurring reputational or economic losses due to the absence of sustainable products and services and potential lack of leadership in customer service and quality of service, not only in energy aspects but also in intangible aspects of the service perceived by the customer such as the commercial information provided, transparency or inclusivity.</p>	<p>100% coverage to customers in vulnerable situations.</p> <p>In addition to projects to facilitate access to energy for all groups, Endesa establishes agreements with the Public Administration to avoid cutting off supply to vulnerable customers and thus reduce the risks of non-payment. There are also a series of tariffs depending on the economic situation of the different groups as well as the management of the Social Bonus for vulnerable households.</p>
<b>Difficulty attracting and retaining talent</b>	<p>Structural deterioration of work perspectives and levels globally. At the same time, there is a shortage of specific profiles and a change in the expectations of the new generations of employees regarding salaries, incentive schemes or work-life balance measures.</p>	<p>There is a need for the strategic implementation of measures that guarantee and improve the well-being of employees and make it easier to retain and attract talent.</p> <p>Possible economic losses and operational delays due to the unsuitable training of employees as well as a shortage of technical profiles in society in general to meet the employment needs of the energy sector.</p> <p>The automation or closure of traditional generation installations may also lead to an increase in the local unemployment rate that could damage the company's economic and reputational standing.</p>	<p>Endesa places the people who work in the company at the centre of the business model, so the management of human capital is a priority that is reflected through the objectives published in the Sustainability Plan. Given the new business models arising as a result of the energy transition, the company has a just transition plan by means of a methodology for creating shared value within the context of its local operations where employment is guaranteed for its workers. Programmes are promoted and planned to improve the skills and retrain employees as well as training for people in general to reduce the unemployment rate in the areas where it operates and increasing job opportunities in line with current labour market conditions. In addition, Endesa sets other objectives for its workers, such as the development of digital skills and competencies, a key element in adapting to the current situation, and the improvement of other key elements such as well-being and work-life balance.</p>
<b>Rupture of the supply chain</b>	<p>Adverse trends in the market for essential products, fluctuations in price volatility, and/or a lack of demand for or availability of raw materials and natural resources.</p> <p>Lack of guarantee of human rights in the supply chain, inadequate</p>	<p>Increased production costs, loss of market share and reduced revenue due to excessive volatility, increased raw material costs, or disruptions in the supply chain due to lack of global or local availability.</p> <p>Economic or reputational losses arising from potential</p>	<p>Endesa has designed an integral procurement process which includes sustainability and promotes innovation with the aim of building a resilient supply chain that integrates a circular economy perspective and shares the company's objectives.</p> <p>In the supplier qualification system, Endesa verifies health and safety, environmental and human rights aspects. The objectives established by company and that mitigate this risk are described in Chapter 4.6.3. <i>Fostering a sustainable supply chain.</i></p> <p>The company's procurement processes include a system of standards and control points that make it</p>

management of contracts or deficient controls on the fulfilment of contracts.

breaches of social, environmental or human rights standards by the supply chain or the exercise of a dominant position by the supplier as a result of geographical or market concentration.

Economic losses and reputational damage resulting from potential deficiencies in procurement or contract management activities, inadequate supplier qualification, improper use of direct awards, deficiencies in supervisory activities, insufficient monitoring of compliance with contractual obligations or non-application of sanctions.

possible to combine the achievement of economic business objectives while fully complying with the core principles established in the Code of Ethics, in the Zero Tolerance Plan Against Corruption, and in the Human Rights Policy, at the same time as promoting initiatives aimed at sustainability with regard to economic development. These principles have been implemented in order to establish relationships of trust with all its stakeholders, as well as to define stable and constructive relationships that guarantee economic competitiveness and take into account essential best practices for Endesa such as the prohibition of child labour, health and safety conditions at work and environmental responsibility.



**Insufficient digitalisation and the digital divide**

A slowdown in the digitalisation of processes with regard to stakeholder expectations and/or market practices, as well as fractured and/or unequal access to digital networks and technology due to a lack of skills or insufficient purchasing power.

Risk of incurring reputational, economic or financial losses due to ineffective IT systems support for commercial processes and operational activities and/or loss of customers affected by the digital gap.

Endesa has an organisational unit responsible for guiding the company's digital transformation, so these risks are managed through a series of measures developed by *Digital Solutions*.

An internal control system is in place that introduces control points along the entire IT value chain, preventing the emergence of risks related to issues such as the creation of services that do not meet business needs, the lack of adequate security implementation or possible service interruptions. The internal control system monitors both the activities carried out internally and those outsourced to third-party partners and service providers.

In addition, Endesa promotes the dissemination of digital skills culture and training among its employees to support digital transformation and minimise the associated risks.

**Cyber Attacks**

Digitalisation and technological development results in greater exposure to potential cyberattacks that are increasingly sophisticated.

Economic losses and reputational impacts that may result from Endesa's information systems or infrastructures being affected by a cyberattack, which could lead to the theft of sensitive or large-scale data from companies and customers, damage to operational and/or commercial systems and affect the continuity of the service.

Endesa has a structured cybersecurity system that is aligned with international standards and government initiatives that applies to all IT (Information Technology), OT (Operational Technology) and IoT (Internet of Things) sectors.

In addition to the commitment of Senior Management and the involvement of all business areas, as well as the units responsible for the design and development of the systems, Endesa is also working to strengthen the awareness of all employees, means of training and increased sensitivity. Endesa also has its own Cyber Emergency Team (CERT) that responds proactively to any threat, as well as a cybersecurity risk insurance policy.

The "risk-based" approach, which considers enterprise risk analysis as the basic step of all strategic decisions, and the "cybersecurity by

<p>Increased risk of fraudulent impersonation in commercial activity, with reputational and economic impact, making it extremely necessary to strengthen security measures and protection of customers' personal data.</p>	<p>design" principle, allow cybersecurity issues to be focused from the earliest phases of system design and implementation.</p> <p>To combat the possible violation of personal data, Endesa has adopted a personal data governance model and appointed officers who address privacy at all levels (including Data Protection Officers - DPO). It has also adopted digital compliance tools to map applications and processes and manage relevant risks with regard to personal data protection in accordance with the provisions of local industry regulations.</p>
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Despite the correct identification and design of risk management and mitigation measures, critical events may occur as a result of an unpredictable event or due to the appearance of a risk previously identified as potential. In that case, it requires quick, effective decision-making, as well as early, proactive communication to the public and/or stakeholders affected.

To this end, Endesa has an Operational Instruction for the Management of Critical Events that aims to systematise the process of managing critical events to ensure coordination in decision-making and restore business normality and the public perception of the company as soon as possible through the proper management and overcoming of the impacts generated by these events.

Organisational Units that may need to deal with incidents or manage critical events will develop training initiatives that ensure suitable knowledge of the applicable policies, procedures and protocols and sufficient preparation of employees to act with regard to incidents and crisis situations.

Proper planning is essential to ensure a prompt and effective response in the event of a critical event. This includes the organisation of periodic drills which aim to evaluate the processes and the performance of all the personnel involved in crisis management, with a view to identifying any possible improvements.

#### **2.4.1.5. Top ESG Opportunities**

The changing context in which the company operates, and the ongoing development of environmental, social and ethical aspects not only presents potential risks but also provides opportunities. In order to mitigate these risks and take advantage of these opportunities respectively, Endesa is analysing emerging situations with regard to ESG and gearing its strategy to respond to the main concerns of all the company's stakeholders.

In line with the main international reference standards, Endesa is applying the concept of double materiality in order to identify opportunities for its stakeholders via financial materiality. An adequate evaluation and prioritisation of opportunities allows Endesa to quantify them and analyse how ESG aspects affect or could affect the value of the company in a positive way. For more details, see Chapter 3. *Double Materiality*.

Numerous opportunities have been identified with regard to a number of sustainability issues, with those related to climate change, the creation of economic value and commitment to the client having great importance for stakeholders. In the first two cases, the energy transition towards a low-emission energy model offers opportunities to improve Endesa's position in the fight against climate change and improve the attraction of investors in the face of a new sustainable business model. This is further reinforced by support from institutions, the demand of society and access to public financial resources. All of the above allows the company to meet its decarbonisation path and reach net zero emissions by 2040.

The changing regulatory context, technological development, changes in customer behaviour and electrification linked to energy transition also provide commercial opportunities for companies that, like Endesa, wish to play a leading role in this energy transition and commit to clean electrification.

For more details on the opportunities linked to the fight against climate change, see section 4.1.4.1. *Chronic and Acute Physical Risks and Opportunities*.

#### **2.4.1.6. The Criminal Risk Prevention and Anti-Bribery Model**

Endesa has a Criminal Risk Prevention and Anti-Bribery Model that provides the company with a control system with the aim of preventing or significantly reducing the risk of committing criminal offences within its business activity, complying with the provisions of the Criminal Code in the area of criminal liability of legal persons, a regime introduced into the Spanish legal system in 2010.

The Criminal Compliance and Anti-Bribery Policy, which is separate from the General Risk Control and Management Policy, was approved by the Board of Directors on 6 November 2017; it establishes the general principles of the Compliance System, which inform the content and application of all corporate internal standards, as well as the Organisation's actions.

The Audit and Compliance Committee (CAC) is the body responsible for supervising the operation and compliance of the Model and the functions performed by the Supervision Committee in charge of monitoring and updating it, among other tasks. The Supervision Committee consists of the Secretary General and Secretary to the Board of Directors (who in turn acts as Chairman of the Supervision Committee), the General Manager of Audit, the Manager of Corporate Legal Consultancy and Compliance, the Manager of Business Legal Consultancy and the General Manager of Personnel and Organisation.

In 2023, the Supervision Committee met on five occasions, following up on issues related to the Model, including the intervention of those responsible for different areas of the Company to inform to the Committee on relevant aspects within its remit. As part of these actions, the Supervision Committee has reviewed Endesa's Criminal and Anti-Bribery Risk Prevention Model, maintaining the certifications obtained in 2017 for its Criminal and Anti-Bribery Risk Prevention Model pursuant to the UNE 19601:2017 Criminal Compliance Management and UNE-ISO 37001 standards relating to the Anti-Bribery Management System.

At the beginning of each business year, the Supervision Committee prepares an Activities Programme in which priorities are established based on qualitative criteria using a risk approach.

Of the activities carried out in 2023, the following stand out:

- Review, update and evaluation of the events of risk of commission of the penal infractions and of adaptation and update of its mitigating controls included in the matrix of the Model,
- Verification of the adequate effectiveness and operation of the Criminal Risk Prevention and Anti-Bribery Model by reviewing the adequate design and operation of certain control activities.
- Performance of a number of training and dissemination initiatives to the company's personnel on the ethical reference and criminal prevention compliance framework in force at Endesa.
- Review and update of the Criminal and Anti-Bribery Risk Prevention Model in order to maintain the certificates that accredit the Criminal Compliance Management System in accordance with UNE 19601:2017 and an anti-bribery Management System in accordance with UNE-ISO 37001, as well as supervising the Compliance System at non-controlled entities.
- Maintenance of the dashboard with compliance indicators that allow the main aspects of Endesa's Criminal and Anti-Bribery compliance system to be measured.

- Implementation of the Criminal and Anti-Bribery Risk Prevention Model at newly created Endesa Group companies, as well as the adaptation of the Model to the specific nature of the structures, processes and projects at Endesa Group companies.
- Follow-up and analysis of ethics complaints and disciplinary sanctions related to ethical breaches.
- Promotion of communication and dissemination activities on ethics and compliance in relation to internal Policies, Protocols and Procedures.

#### 2.4.1.7. Competition Law Compliance Program

In 2021 the Audit and Compliance Committee established the Competition Committee which, under the direct and exclusive supervision of the Audit and Compliance Committee, undertakes the control and proposed action functions with a view to updating the Programme for Compliance with regard to the Defence of Competition, inter alia, with a view to adapting it to the needs of the Organisation and to legal changes.

The Competition Committee is composed of:

- General Secretary and Secretary to the Board
- Director General of Institutional Relations and Regulation
- Regulation Manager
- General Manager – Audit
- General Manager – People and Organisation
- General Manager – Administration, Finance and Control
- Manager of Business Legal Consultancy
- Manager of Corporate Legal Consultancy and Compliance and
- Head of Endesa's Legal Consultancy for Competition.

In 2023, the Competition Committee, as the body responsible for supervising the operation of the "Competition Programme" and in accordance with the plan of activities reported to the CAC, undertook the following activities:

<b>Implementation activities</b>	Review, where necessary, of the controls of Endesa's Competition Programme.
<b>Training activities</b>	Promotion of an online training course in Competition Law for employees. Multi-year plan of specific training by areas or lines of business in the field of Competition Law.
<b>Dissemination activities</b>	Publication of information on the intranet for Endesa employees (" <i>Newsletter</i> "). Dissemination of the Competition Programme on Endesa's internal website ("intranet"). Internal communication of the protocols for Endesa's Competition Programme. Dissemination of the Code of Commercial Conduct to sales forces. Dissemination to Endesa employees who attend associations or sectoral forums for the Action Protocol in meetings with other competitors or in sectoral associations. Promotion of signatures to commit to the Programme among the group of managers and pre-executives, as well as signature by new recruits of an acknowledgment of receipt and understanding of the Defence of Competition Compliance Programme.
<b>Monitoring activities</b>	Monitoring by those responsible for the Internal Protection System for Informants for those reporting complaints received using this channel and, where appropriate, informing the areas, including that responsible for Competition Law in the Legal Consultancy Department.

Based on the activities undertaken in 2023, it was concluded that both the Criminal and Anti-Bribery Risk Prevention Model and Endesa's Programme for Compliance with regard to the Defence of Competition are currently in place in all the significant Group companies and are being

effectively executed; it has been established that they are being executed efficiently and represent suitable mechanisms for mitigating the criminal and competition risks identified in the applicable regulations.

#### 2.4.1.8. Tax Risk Control and Management System



#### 207-2

Endesa has a Tax Risk Control and Management System and applies a Tax Risk Policy<sup>3</sup> as the basic document for its Fiscal Control Framework.

The Audit and Compliance Committee (CAC) is entrusted with the function of supervising the operation and effectiveness of the Group's risk management and control system, including tax risks. In this regard, the Risk Committee acts as a delegated body of the Audit and Compliance Committee with regard to its functions as a **Tax Compliance Body**. This is the entity responsible for supervising the operation and effectiveness of the Group's Tax Risk Control and Management System, reporting to the Audit and Compliance Committee.

The Tax Risk Control and Management model consists of five elements that combine to guarantee a suitable control system for risk prevention:

<b>Control Environment</b>	A set of rules, processes and structures that form the basis on which the organisation's internal control is developed.
<b>Risk assessment and control activities</b>	It is carried out jointly by the Risk Committee and those responsible for the processes. Each identified tax risk scenario has at least one control activity whose objective is to prevent the risk from materialising and to prevent the risks analysed from occurring.
<b>Monitoring activities</b>	It is continuously supervised to check whether its design and operation are suitable with regard to the requirements of the applicable regulations, analysing and resolving the identified incidents.
<b>Information Communication</b>	The necessary initiatives are promoted for the suitable dissemination and training of personnel, so the members of the company are able to comply suitably with the provisions of the regulations.
<b>Disciplinary system</b>	Non-compliance with the measures provided in the model and with the company's rules of conduct are sanctioned by applying Endesa's sanctioning regime contained in the company's Collective Agreement.

In May 2023, Endesa renewed the AENOR certificate on its Tax Compliance Management System in accordance with the provisions of the UNE 19602 Standard. This Certification accredits the following:

- The existence of a tax control system to identify, prevent and detect tax risks in order to avoid additional tax demands, fines from and even criminal liability vis-à-vis the Tax Authority.
- The existence of control and mitigation mechanisms in the event that a possible fiscal risk is finally identified.

The Certification is additional proof of the organisation's willingness to comply with all its tax obligations before the Tax Administration or the Courts and is in line with Endesa's Tax

<sup>3</sup> <https://www.endesa.com/content/dam/enel-es/endesa-en/home/investors/corporategovernance/corporatepolicies/documents/Pol%C3%ADtica%20de%20Gesti%C3%B3n%20Control%20de%20Riesgos%20Fiscales%2004.05.2020%20EN.pdf>

Responsibility Policy and its Tax Transparency and Ethical Compliance Policy regarding its relations with the Public Administration, both national, regional and local.

Endesa has an Internal Protection System for Informants, which facilitates the possibility of reporting unlawful conduct and guarantees adequate protection for for Informants.

In this way, the company's involvement in the prevention of the commission of acts contrary to the legal system is reinforced, as an integral part of its commitment to regulatory compliance.

This System has a " Reporting Person Protection Policy ", which details its scope of application, general operating principles, particularly the protection of the Reporting Person and affected persons, as well as the way in which reported facts are presented and processed. This process is detailed in a second document called the "Procedure for the Management of Reported Incidents."

In addition, the Internal Protection System for Informants guarantees, among other aspects, the right to submit information anonymously, the prohibition of retaliation in any of its forms, support measures or the special protection of personal data, which is further proof of Endesa's commitment to complying with the most advanced ethical and regulatory compliance principles applicable in the matter.

Endesa has an Information Channel so that all its stakeholders can communicate, securely and anonymously to guarantee the absence of retaliation, irregular, unethical or illegal conduct that, in their opinion, occurred in the development of the Company's activities. The Information Channel that Endesa makes available to all its stakeholders is also appropriate for reporting, securely and anonymously, irregular or inappropriate conduct in relation to the Tax Compliance System.

For more information on Endesa's Tax Risk Control and Management System, please visit the corporate website: <https://www.endesa.com/en/our-commitment/transparency>

#### **2.4.1.9. Internal Information Control System**

The quality and reliability of the financial, non-financial and sustainability information that listed companies disseminate to the market is a fundamental element for the credibility of the Company, which significantly affects the value that the market assigns to it. Therefore, the dissemination of incorrect or low-quality financial or non-financial information could lead to a significant decrease in the value of the Company, with the consequent detriment to its shareholders.

The Internal Control over Reporting System (hereinafter ICRS) for financial, non-financial and sustainability reporting is a part of the Company's internal control, comprising a comprehensive series of processes through which the company provides reasonable assurance with regard to the reliability of its internal and external financial, non-financial and sustainability reporting.

Endesa's Internal Control Unit is the area responsible for identifying the most significant processes, activities, risks and controls of the ICRS considered to be factor when it comes to providing reasonable assurance that the financial, non-financial and sustainability information disclosed by Endesa to the market is reliable and suitable.

The documentation of the processes that are part of the ICRS includes detailed descriptions of the activities relating to the preparation of financial, non-financial and sustainability information, as well as its subsequent external publication, after it has been authorised and processed. It has been developed with the following basic objectives:

- Identify the critical processes directly and indirectly linked to the generation of information.
- Identification of the risks intrinsic to these processes that could give rise to material errors in financial reporting (typically related to completeness, validity, recognition, cut-off, measurement and presentation) or significant errors in non-financial and sustainability information.



- Identify and characterise the controls in place to mitigate such risks.

In 2023, the ICRS undertook 85 processes. In them, and also considering the related entity controls, there are more than 1,800 control activities (also called controls), and more than 200 general information technology control activities (ITGC).

In terms of processes, Endesa has identified 10 business cycles common to all its companies, one of which is the sustainability cycle. The cycles identified, common to all its subsidiaries, are as follows: Fixed Assets, Accounts Closure, Capital Investments, Finance, Inventory, Personnel Expenses, Purchasing Cycle, Sales Cycle, Taxes and Sustainability.

Through the processes of the Sustainability cycle of Endesa's Internal Information Control System (ICS), the risks associated with the process of preparing the Statement of Non-Financial Information and Sustainability (EINFS) are identified and controlled. In the processes of the Sustainability cycle there are more than 200 control activities, which are used to monitor control risks on 191 indicators considered significant by the Directorate-General for Sustainability, including 129 required in accordance with Law 11/2018, of 28 December. These indicators are part of the following areas of focus:

- Corporate governance.
- Innovation.
- Corporate Reporting and Public Information.
- Economic and operational sustainability.
- Environmental sustainability.
- Social sustainability.

The corporate report is a critical function of communication with all the company's stakeholders (shareholders, investors, financing entities, supervisory bodies, civil society, suppliers, customers, etc.). It is fed by information from a variety of sources. In fact, to a greater or lesser extent, nearly all of Endesa's organisational units supply information of relevance to the corporate reporting process. For this reason, compliance with the objectives of transparency and veracity of information is the responsibility of all the units that make up Endesa in their respective areas of action. This shared liability by all the areas is precisely one of the cornerstones of how the ICRS works.

All the documentation for Endesa's Internal Control over Reporting System (ICRS) is contained in a corporate IT tool. The information in the system is continuously updated, reflecting changes in the company's activities and controls.

Every six months, Endesa completes an ICRS evaluation process, in which each person responsible for the ICRS controls evaluates both its design and its effectiveness. The model includes an ongoing ICRS verification process, also undertaken by an independent expert.

At the end of each six-monthly evaluation, Endesa's management, meeting in the Transparency Committee and based on the results obtained in the evaluation and ongoing verification processes, reaches a conclusion on how well Endesa's Internal Control on Information is functioning, establishing action plans as required to address any shortcomings or areas for improvement discovered. The results are reported to:

- The Board of Directors which, in accordance with the Corporate Enterprises Act, has a duty which it cannot delegate, to supervise the internal information and control systems; and
- The Audit and Compliance Committee, the functions of which, in accordance with the Corporate Enterprises Act, include supervision of the effectiveness of the Company's internal control.

Each year since 2017, Endesa's Audit and Compliance Committee has contracted an independent expert to make a comprehensive assessment of the operation and effectiveness of the ICRS. The result of this assessment is presented by the independent expert at the meeting of the Audit and Compliance Committee corresponding to the end of the reporting period.

## 2.4.2. Endesa's Sustainability Plan 2024-2026



### ENDESA SUSTAINABILITY PLAN 2024-2026



As part of its sustainable strategy and based on the results of the materiality analysis, Endesa has drawn up a Sustainability Plan setting out more than 120 objectives over a three-year time horizon. These targets are reviewed annually to ensure continuity and alignment with the strategy in order to increasingly integrate sustainability along the entire value chain. This plan is approved annually by the Board of Directors, which delegates to the Sustainability and Corporate Governance Committee the supervision of its compliance.

Endesa's Sustainability Plan 2024-2026 (ESP 2024-2026) aims to create long-term value, based on the strategic priorities detailed below. For each of these, the main objectives included in ESP 2024-2026 are indicated below, although the exhaustive details of the objectives for each strategic priority of ESP 2024-2026 are included at the beginning of each chapter:

### Zero Emissions Ambition

Endesa maintains its decarbonisation strategy to become a net zero emissions company by 2040 through an investment plan aligned with the SDGs and the EU Taxonomy. This climate strategy is transferred throughout its entire value chain with the aim of fighting climate change together.

As part of an investment of 8,900 million euros during the 2024-2026 period, the company hopes to grow in clean electrification with renewable generation and distribution networks as key pillars,

with the aim of reaching 13,900 MW of renewable capacity and 93% of mainland production being emissions free by 2026.

The investment of 2,800 million euros in distribution networks will help us to continue making the commitment to their digitalization, increasing their quality and resilience, and increasing distributed generation facilities.

Finally, the 900 million euros investment allocated to the marketing area will allow us to continue making the commitment to the electrification of uses as a guide for the commercial strategy.

### Decarbonisation strategy <sup>(1)</sup>

	2017 Base Year	2023 Current Year	2026 Short-term target	2030 Medium-term target	2040 <sup>(2)</sup> Long-term target
Scope 1 Generation (gCO <sub>2</sub> eq/kWh)	443	193 43%	145 33%	95 21%	0 100%
Scope 1 & 3 Integrated Power (gCO <sub>2</sub> eq/kWh)	410	214 52%	140 34%	90 22%	0 100%
Scope 3 Gas Retail (MtCO <sub>2</sub> )	14,6	8,1 -45%	10,0 -31%	6,6 -55%	0 -100%

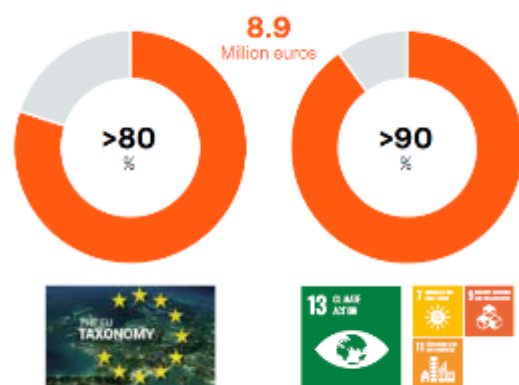
-#%  
Reduction vs 2017

No negative emission technologies or offsetting will be developed on the path towards achieving the zero emissions target

<sup>(1)</sup> The level of emissions included in Endesa's targets is aligned with the SBTi criterion and is part of the targets certified by the Enel Group.  
<sup>(2)</sup> Endesa undertakes to mitigate additional scope 1, 2 and 3 emissions and to offset any possible related residual emissions.

<sup>(3)</sup> Gross CAPEX 2024-2026.

### Investment plan aligned <sup>(1)</sup> with the SDGs and the EU Taxonomy



2026 target	Indicator
13.6 GW	Cumulative net installed renewable capacity
23.6 TWh	Net production from renewable sources
41.8 min	TIEPI

## People

Endesa dedicates a high level of attention to people, transferring its commitment to sustainability to its employees, its supply chain, the communities where it operates and its customers.

Concerning its employees, the company is committed to diversity and training as key elements, focussing on elements that improve the work-life balance and ensure well-being to generate long-term value.

Endesa also strives to raise awareness amongst its suppliers and contractors throughout the end-to-end purchasing process of the importance of respect for human rights, occupational health and safety and the environment; it works to improve aspects such as education, access to energy and socioeconomic development in the local communities where it operates through a model of active listening with its main stakeholders.

All of this is framed by the company's staunch commitment to people's health and safety, a fundamental pillar for sustainable development.

2026 target	Indicator
28.0%	Women in the workforce
> 45.0 hours	Training per employee per year



<b>310 thousand</b>	Annual beneficiaries of education, energy access and socioeconomic development projects
<b>100%</b>	Verification of environmental, safety and human rights aspects in the supplier qualification process
<b>0.33</b>	Combined accident index

## Nature



Endesa reflects its staunch commitment to the protection of biodiversity, waste management, the responsible use of water resources and the reduction of pollution.

Endesa's commitment to the conservation of biodiversity is in line with the Kunming-Montreal global biodiversity framework, as reflected in the biodiversity policy updated in 2023. To this end, the company reflects its commitment to no deforestation and no loss net biodiversity by 2030.

The company employs an integrated approach for the optimal management of waste, the use of water resources and their protection, as well as the commitment to improving air quality and reducing pollutants in all its processes.

2026 target	Indicator
<b>&gt;30</b>	Actions to protect biodiversity in projects
<b>59.7 l/MWh</b>	Water catchment in the electricity generation process
<b>0.11 g/kWh</b>	SO <sub>2</sub> emissions
<b>0.66 g/kWh</b>	NO <sub>x</sub> emissions

## Growth Accelerators



The circular economy, cybersecurity, digitalization and sustainable finance are considered key elements to ensure the company's sustainable growth and the company sets ambitious objectives in these accelerators.

2026 target	Indicator
<b>5 new proposals</b>	Annual circular economy solutions
<b>15 events</b>	Annual dissemination of the IT security culture
<b>&gt;€800 million</b>	Investment in quality, resiliency and digitalisation in grids assets
<b>&gt;80%</b>	Gross debt linked to sustainable factors



## Sound governance and Human Rights



The inclusion of engagement in all internal functions and processes, as well as the promotion of sound governance practices, are essential when it comes to preventing and mitigating negative impacts on human rights and ensuring sustainable development.

2026 target	Indicator
<b>&gt;75% of employees</b>	Training in ethics and compliance
<b>42%</b>	Women on the Board of Directors
<b>100% compliance plan</b>	Action Plan as a result of the Human Rights due diligence process

### 2.4.3. Our Respect for Human Rights

Material Topics	Plan	SDGs
<ul style="list-style-type: none"> <li>Sustainable Supply Chain</li> <li>People management, diversity and inclusion</li> </ul>		

#### 2.4.3.1. Human Rights Policy

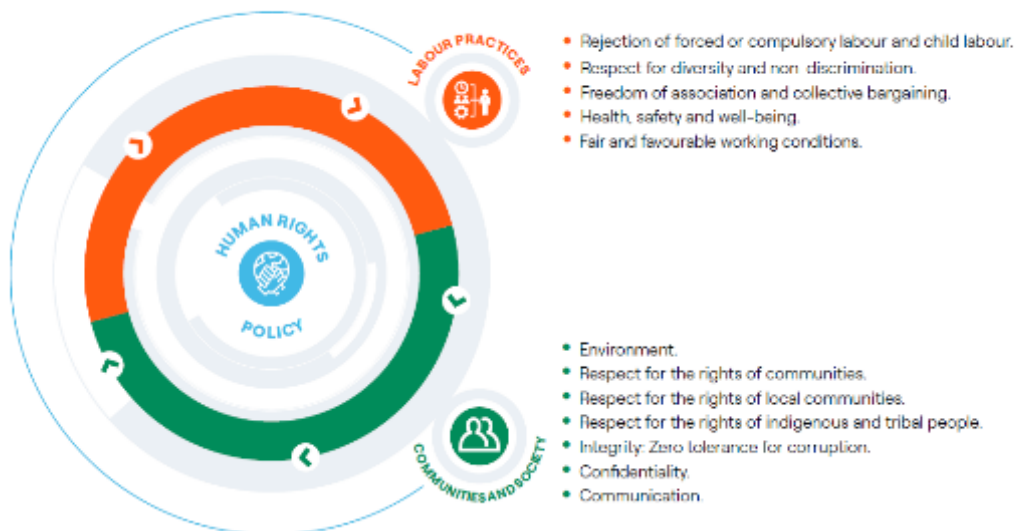
2-23

Endesa's pioneering Human Rights Policy was approved in 2013. It has since been updated and was approved once again by the Board of Directors on 21 December 2021. This Human Rights Policy follows the recommendations of the United Nations Guiding Principles on Business and Human Rights and includes Endesa's commitment to and responsibilities with regard to all Human Rights.

The Policy focuses on creating sustainable value throughout the value chain with regard to both its business activity and the operations undertaken by both Endesa's management staff and employees. It includes commitments to the Sustainable Development Goals as a guarantee framework to avoid risks of human rights violations, paying special attention to the most vulnerable stakeholders, such as people with disabilities, children, the elderly and indigenous and tribal peoples. It also promotes the adherence of its contractors, suppliers and business partners to the same principles, paying particular attention to conflict and high-risk situations.

The policy identifies twelve principles covering two major areas: Employment practices, and communities and society. The identification of these principles is inspired by the Universal Declaration of Human Rights and the conventions of the International Labour Organisation with regard to human and social rights. They were corroborated by independent experts.

#### ENDESA'S HUMAN RIGHTS POLICY



The Human Rights Policy is available on the following website:  
<https://www.endesa.com/content/dam/endesa->

[com/home/sostenibilidad/plandesostenibilidad/documentos/pol%C3%ADtica-de-derechos-humanos/politica-de-derechos-humanos-endesa-2021-en.pdf](https://www.endesa.com/home/sostenibilidad/plandesostenibilidad/documentos/pol%C3%ADtica-de-derechos-humanos/politica-de-derechos-humanos-endesa-2021-en.pdf)

In order to guarantee the implementation and monitoring of the commitments contained therein, and following the recommendations of the guiding principles, Endesa has been developing successive due diligence processes in a pioneering manner since 2017, generating action plans to cover the opportunities for improvement identified.

#### 2.4.3.2. Internal Protection System for Informants and Complaint Mechanisms



#### 2-26

The Human Rights Policy provides that when any person related to Endesa, whether an employee or an external person, considers that there is a situation contrary to the provisions of the policy itself, they may report it through the following mechanisms:

- Through the Internal Protection System for Informants that the company makes available to all its stakeholders on its website or, in the case of Endesa employees, also through the company's intranet.
- By e-mail to Endesa's Ethics Mailbox: [eticaycumplimiento@endesa.es](mailto:eticaycumplimiento@endesa.es)
- By post to the following address: Endesa, S.A. Directorate-General for Auditing. Ribera del Loira, 60 - 28042 Madrid.

In dealing with these communications, the Audit function will act to protect Informants from any form of retaliation, meaning any act that may give rise to the mere suspicion that the person in question may be subject to any form of discrimination or penalty. In addition, the confidentiality of the identity of the informants shall be guaranteed, unless otherwise provided for in the applicable legislation.

For issues relating to the workplace, Endesa has the necessary mechanisms to establish an ongoing dialogue with the different trade union organisations through which they can transmit complaints or claims to the company. Endesa also seeks to establish an increasingly continuous and close dialogue with civil society organisations using the above-mentioned channels through which they can also receive complaints or suggestions related to human rights.

In all cases in which, based on a communication of this type, it is determined that there has been a breach of the principles set out in the Policy, the corresponding procedure provided for in the Code of Ethics and the sanctions regime established in the Company's Collective Agreement will be applied. Likewise, Endesa is committed to developing the appropriate remediation mechanisms, without prejudice to allowing access to other judicial and non-judicial mechanisms that may exist.

Endesa also has a specific channel ([sostenibilidad\\_csv@enel.com](mailto:sostenibilidad_csv@enel.com)) to make communication with the stakeholders easier at a local level, where they can address concerns, complaints or seek clarifications with regard to the projects being undertaken. Information on the existence of this channel will be available, as well as in the usual ENDESA communication channels, on the *panel sites* located in all the renewable plant works.

### 2.4.3.3. Cases of Human Rights Violations

During the 2023 financial year, Endesa did not receive, through the Information Channel, any facts related to human rights, following the same trend as in 2022.

### 2.4.4. The Sustainable Development Goals

Endesa assumes the main international reference frameworks, promoted by the United Nations, for sustainable management as a key agent in the process of building a new global and sustainable energy model. Thus, it maintains a firm commitment to the Ten Principles of the Global Compact, the Guiding Principles on Business and Human Rights, and the Seventeen Sustainable Development Goals.

#### COMMITMENT TO THE UNITED NATIONS AGENDA

##### United Nations Initiatives

The Ten Principles of the Global Compact

2000

##### The Answer endesa

- Integration of the principles into the Code of Conduct and internal regulations.
- Development of an internal mechanism to ensure compliance with the Ten Principles.



The Guiding Principles for Business and Human Rights

2011

- Preparation of the Human Rights Policy.
- Development of Due Diligence in Human Rights and preparation of the action plan.



Protect, Respect and Remedy

The 17 Sustainable Development Goals

2015

- Commitments of the Enel Group and contributions of ENDESA.
- Business and Sustainability Strategy aligned with the 2030 Agenda.



#### 2.4.4.1. Contribution to the SDGs

On 25 September 2015, the UN approved the 2030 Agenda for Sustainable Development so that countries could make progress towards the construction of a more sustainable world that leaves no one behind.

To make this possible, everyone's action is needed. In this sense, Endesa wants to be an active agent of this transformative vision towards sustainability, so since announcing its specific contribution to the 2030 Agenda in 2016, the company has continued to make progress with respect to its commitment to goal 13 of climate action to which it also contributes with concrete actions in the SDGs 7 (Affordable and Clean Energy), 9 (Industry, Innovation and Infrastructure) and 11 (Sustainable Cities and Communities). Likewise, the company contributes indirectly to the



rest of the goals with special emphasis on SDGs 4 (Quality Education), 8 (Decent Work and Economic Growth) and 17 (Partnerships for the goals).

### SDG Contribution

#### Direct contribution

SUSTAINABLE DEVELOPMENT GOALS	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	11 SUSTAINABLE CITIES AND COMMUNITIES	7 AFFORDABLE AND CLEAN ENERGY
<b>Our actions and goals</b>	<ul style="list-style-type: none"> <li>Decarbonisation of the energy mix by 2040.</li> <li>Reduce scope 1 CO<sub>2</sub>e emissions compared to 2017 by around 80% by 2030, and 100% by 2040.</li> <li>Reduction of specific scope 1 and 3 emissions, linked to the commercialization of electricity (generation and purchase of electricity for third parties) -80% reduction in 2030 vs 2017 and 100% by 2040.</li> <li>Reduction of scope 3 emissions, derived from the commercialization of gas to the end customer, &gt;60% reduction in 2030 vs 2017 and 100% by 2040.</li> </ul>	<ul style="list-style-type: none"> <li>Investment of EUR 800 million in quality, resilience and digitalisation over the period 2024-2026 in grids assets.</li> </ul>		<ul style="list-style-type: none"> <li>Promotion of clean electrification so that around 90% of the energy sold to customers at fixed price comes from non-emitting sources by 2026.</li> <li>Investment of EUR 4.3 billion for the development of renewable power, incorporating a new model of external partners to increase profitability and flexibility in capital allocation.</li> <li>Target of 13,900 MW of renewable power by 2026, reaching 93% of emission-free production in the Iberian Peninsula.</li> </ul>

#### Indirect contribution

SUSTAINABLE DEVELOPMENT GOALS	4 QUALITY EDUCATION	7 AFFORDABLE AND CLEAN ENERGY	8 DECENT WORK AND ECONOMIC GROWTH	17 PARTNERSHIPS FOR GOALS
<b>Our actions and goals</b>	<ul style="list-style-type: none"> <li>Reach 310,000 beneficiaries per year during the 2024-2026 period in education, energy access and employment and economic growth.</li> </ul>			<ul style="list-style-type: none"> <li>Lead the challenge of decarbonisation through alliances that allow the change of model.</li> </ul>

These SDGs are considered a priority for Endesa, so it places greater emphasis on achieving them, but also contributes to other SDGs for which it has been setting targets and reporting on them since they were introduced. To this end, Endesa's Sustainability Plan 2024-2026 determines the roadmap for the next 3 years to contribute to the 2030 Agenda, thus aligning its sustainability strategy with this universal framework.

#### 2.4.4.2. The Ten Principles of the Global Compact

Endesa was one of the first Spanish companies to adhere to the Global Compact, incorporating the principles into its Corporate Integrity regulations and Sustainability Policy and Strategy.

The Global Compact requires participating companies to prepare an Annual Progress Report, detailing the work done to integrate the ten principles into business strategies and operations, which must be public and available to stakeholders.

Endesa participated in the Early Adopter programme of the UN Global Compact in Spain, forming part of a group of pioneering companies joining this programme on a voluntarily basis, with a view to adding value and optimising communication about their progress in Sustainability.

Endesa participates actively in the UN Global Compact in Spain and holds the position of Treasurer of the Executive Committee. It has also contributed especially to everything related to the promotion of the Sustainable Development Goals and the Guiding Principles on Business and Human Rights.

Signing up to the Global Compact has been viewed positively by its stakeholders, as well as sustainable investment funds and sustainability rating agencies. This helps encourage dialogue and collaboration between all the social agents, for which the Global Compact is a highly useful tool.

In addition, Endesa participated in the *Contigo somos+* programme to raise awareness of the Global Compact among its partner companies, and thus encourage more and more companies to join this global movement for sustainability.

In 2023, Endesa took part in the First Edition of the Training Programme: Endesa has trained more than 250 of the company's SME suppliers in Sustainability, who have participated in this initiative. The subjects covered in the programme include the Ten Principles of the Global Compact, the Sustainable Development Goals, environmental aspects, issues of diversity, equity and inclusion, governance and the fight against corruption and the principles of Human Rights.

#### 2.4.4.3. The Guiding Principles on Business and Human Rights

Endesa is permanently committed to respecting and promoting human rights. This commitment was made clear by adherence to the United Nations Global Compact in 2002, alignment with the Guiding Principles on Business and Human Rights and in its corporate policies, such as the Human Rights Policy which includes support and respect for the protection of human rights and not being complicit in their violation within its first two principles. Historically, Endesa has been a trendsetter in initiatives to ensure respect for human rights in its activities and those of its supply chain, continually rolling out processes to identify risks and their potential impact in the area of human rights.

Following the approval of the Guiding Principles on Business and Human Rights by the United Nations, Endesa decided to formally adapt its long-standing commitment to the respect and promotion of human rights to this new framework, integrating it into the management of business activity.



#### 2.4.5. Participation in Forums and Associations

2-28

Endesa proactively participates in different forums and associations aimed at promoting sustainable development. Participation in this type of organisation allows Endesa to show its commitment to sustainability and interact with the main agents of change, generating shared value between the company and its environment. It also allows it to learn and share good practices, as well as to strengthen relationships with stakeholders.

##### 2.4.5.1. Participation in Sustainability Forums and Associations

Details of the main sustainability forums and associations in which Endesa participated in 2023:



Organisation	Type of association	Endesa's position	Endesa's participation in 2023
 <p>Consejo Empresarial Español para el Desarrollo Sostenible</p>	Association that acts as the focal point of the World Business Council for Sustainable Development (WBCSD) and incorporates the leaders of the main Spanish sustainable companies.	Founding member	<ul style="list-style-type: none"> <li>➤ Publication of several guides aimed at providing CEOs with guidance on how to integrate sustainability.</li> </ul>
 <p>APOYAMOS EL PACTO GLOBAL UN GLOBAL COMPACT</p>	Multi-stakeholder association which acts as the focal point for the UN Global Compact in Spain.	Member of the Executive Committee. Treasury.	<ul style="list-style-type: none"> <li>➤ Promotion of the Ten Principles of the United Nations Global Compact in the Supply Chain.</li> <li>➤ Work group on human rights.</li> </ul>




Organisation	Type of association	Endesa's position	Endesa's participation in 2023
	Multi-stakeholder association and national partner of WBCSD and CSR Europe.	Promoter member	<ul style="list-style-type: none"> <li>➤ Climate change.</li> <li>➤ Integrity, governance and transparency.</li> <li>➤ Circular economy.</li> <li>➤ Social impact.</li> </ul>
	Association of large companies and national partner of CSR Europe.	Founding member.	<ul style="list-style-type: none"> <li>➤ Energy efficiency.</li> <li>➤ Socially Responsible Investment.</li> <li>➤ Responsible purchasing.</li> <li>➤ Responsible communication.</li> <li>➤ Circular economy.</li> <li>➤ Corporate governance.</li> <li>➤ Human resources.</li> <li>➤ Business management of biodiversity.</li> <li>➤ Integration of CR in the company.</li> </ul>
	Private foundation aimed at bringing about a more significant role for business in the improvement of society	Patron of the Foundation.	<ul style="list-style-type: none"> <li>➤ Participation in different work groups.</li> </ul>
	Corporate volunteering network.	Managing partner	<ul style="list-style-type: none"> <li>➤ Contribution to local development.</li> <li>➤ Corporate volunteering.</li> </ul>

It should be noted that Endesa also participates in other forums and associations whose mission is to advance the management of a specific sustainability issue, such as the fight against climate change or social action.

### Participation in Sectoral/Business Forums and Associations

Endesa also participates in forums and associations aimed at promoting the interests of the business sector in general or the energy sector in particular, among which the following stand out:

Organisation	Function	Country	Endesa's position	Endesa's participation in 2023
	National business association.	Spain	Member of the industry, international relations, health and consumer, economic, financial and corporate social responsibility (CSR) committee.	<ul style="list-style-type: none"> <li>➤ Participation on different committees.</li> </ul>
	Electricity sector association.	Spain	Executive member.	<ul style="list-style-type: none"> <li>➤ Participation in working documents, committees on different energy</li> </ul>

Organisation	Function	Country	Endesa's position	Endesa's participation in 2023
	Andalusian Confederation of Businessmen (CEA).	Spain	Executive member.	<ul style="list-style-type: none"> <li>Representation, promotion and defence of the general interests of the electricity sector in Andalusia. Consultation and collaboration with the Administrations.</li> </ul>
	Portuguese Business Association with the state of the chamber of commerce.	Portugal	Vice Presidency of the Executive Directorate.	<ul style="list-style-type: none"> <li>Strengthening the development of Institutional and Commercial relations, in Portugal, with AIP associates.</li> <li>Participation on committees.</li> </ul>
	AFIEG brings together French companies and subsidiaries of European operators in the electricity and gas sectors.	France	Vice presidency and members of the Board of Directors.	<ul style="list-style-type: none"> <li>Dialogue with the General Directorate of Energy and Climate to present initiatives.</li> <li>Response to public consultations of the Energy Regulation Commission (CRE).</li> <li>Presentation of suggestions to the Ministry of Ecological and Solidarity Transition.</li> <li>Participation in forums on access to consumer data in France.</li> <li>Participation in work groups on biogas and CEE.</li> </ul>

#### 2.4.5.2. Participation in Forums and Initiatives for the Promotion of Human Rights

2-28

Endesa considers the management of respect for human rights a strategic issue that is a fundamental part of its sustainability strategy and relationship with stakeholders. For this reason, the company actively participates in the different debates and discussion forums that take place in Spain on this issue. Thus, for example, it is worth highlighting Endesa's participation in the Human Rights Working Group of the UN Global Compact in Spain, which aims to share good practices among the business sector on this matter and design methodologies that help companies, especially SMEs, to integrate human rights into their business strategies.

In 2023 Endesa was also part of the United Nations Global Compact Business & Human Rights Accelerator Programme, a training programme designed to encourage organisations to move on from commitment to action on human rights and labour rights.


Endesa also actively participated in the consultation process developed by the Government of Spain for the preparation of the National Business and Human Rights Plan approved by the Council of Ministers in 2017. This plan, which reflects Spain's commitment to protecting human rights against any impact that business activity may have on them, responds to the recommendations made within the framework of the European Union through the renewed EU Strategy for 2011-2014 on corporate social responsibility and its Action Plan on Human Rights and democracy 2020-2024.

Endesa regularly participates in forums aimed at promoting Human Rights and especially in disseminating the approach of the United Nations Guiding Principles in the academic field.

In addition, Endesa continuously monitors the main national and international initiatives in the field of Human Rights and Business. These initiatives include a proposal for a European Directive on the Due Diligence of companies in the field of sustainability, which is currently being prepared and on which Endesa is undertaking detailed monitoring, with the support of an external specialist with reputed experience, in order to adapt its due diligence processes ahead of time to the future European framework.

### 2.4.5.3. Participation in Environmental Forums and Associations

Organisation	Type of association/ initiative	Endesa's position	Endesa's participation in 2023
	Association created to promote public-private collaboration and jointly advance in the environmental challenges we are currently facing.	Founding member	<ul style="list-style-type: none"> <li>➤ Environment work groups.</li> <li>➤ Natural Capital and Biodiversity.</li> </ul>
	Biodiversity Foundation.	Signatory	<ul style="list-style-type: none"> <li>➤ Endesa is a signatory to the Pact for Biodiversity led by the Biodiversity Foundation.</li> <li>➤ Endesa regularly participates in the European Business Awards for the Environment through its innovative projects in the area of Biodiversity.</li> </ul>
	Spanish Business and Biodiversity Initiative	Participant	<ul style="list-style-type: none"> <li>➤ Member since June 2013 of this public-private platform promoted by the Biodiversity Foundation of the Ministry for the Ecological Transition and the Demographic Challenge.</li> </ul>
	Spanish standardisation association.	Participant on committees	<ul style="list-style-type: none"> <li>➤ Participation in committees on renewables, climate change, environmental management and energy efficiency.</li> </ul>
	Spanish standardisation association (UNE).	Participant on committees	<ul style="list-style-type: none"> <li>➤ Involvement in the creation of the technical standardisation committee CTN 328 on Biodiversity, the first technical standardisation body in this field in Spain. Set up to represent the vision and interests of Spanish institutions in international and European standardisation and to accommodate international initiatives that may arise.</li> </ul>
	Excellence in Sustainability Club.	Participant	<ul style="list-style-type: none"> <li>➤ Environmental commission.</li> <li>➤ Participation at various events and presentations of business examples of excellence in environmental issues.</li> </ul>
	Natural Capital Factory.	Participant	<ul style="list-style-type: none"> <li>➤ Platform that brings the Spanish community together around approaches to natural capital, with the aim of ensuring that nature is included in organisations' decision-making.</li> </ul>



Organisation	Type of association/initiative	Endesa's position	Endesa's participation in 2023
	<p>Continuous working groups to prepare documents through the technical committees of experts:</p> <ul style="list-style-type: none"> <li>➤ Adaptation to climate change.</li> <li>➤ Business and Biodiversity.</li> <li>➤ Trade of emissions rights 2021-2030.</li> <li>➤ Directive on Industrial Emissions in the taxonomy of sustainable investments.</li> <li>➤ Dissemination of non-financial information.</li> <li>➤ Energy and City.</li> </ul>	Participant	<ul style="list-style-type: none"> <li>➤ Make progress with knowledge on mitigating/adapting to climate change, biodiversity and the environment in general in line with a sustainable energy transition through the sharing of participants' experience and ideas.</li> </ul>

#### 2.4.5.4. Commitment to the Fight Against Climate Change Through Participation in Associations

Endesa is closely monitoring the lobbying activities to achieve the objectives of the Paris Agreement of the associations and business groups with which it collaborates, in order to verify the alignment and ambition of climate objectives.

In this regard, Endesa carries out a process of verifying the coherence of the positions of the associations in which it participates with the company's climate policies. The verification methodology and the results of the analysis have been published in a report entitled Endesa's Policies for Promoting the Paris Agreement, available on the company's website.

The following table provides the following information for each of the associations in which Endesa participates: (i) brief description of the organisation; (ii) Endesa's main functions within the organisation; (iii) Endesa's main actions carried out in the organisation in 2023 in relation to climate change.

Organisation	Description of the organisation	Endesa's main functions at the organisation	Endesa's main activities in 2023
	Association of Electricity Companies (aeléc), the Association of Electricity Companies has an extensive presence in the electricity value chain.	Executive member.	➤ Participation in work groups, legislative and regulatory development.
	Spanish Group for Green Growth (GECV) GECV is the Spanish Group for Green Growth, an association formed by more than 50 companies of various sizes that work together towards a low-emissions economy.	Founding member. Member of the environmental inspection committee.	➤ Participation in work groups, legislative and regulatory development.
	Spanish Confederation of Business Organisations (CEOE)	CEOE, is the Spanish Confederation of Business Organisations, founded in	Executive member. Member of the following committees:
			➤ Participation in work groups, legislative and regulatory development.





Organisation	Description of the organisation	of the Endesa's main functions at the organisation	Endesa's main activities in 2023
	<p>1977, voluntarily integrating two million companies and self-employed workers from all sectors of activity.</p>	<p>-Industry. -International relations. -Health and consumption. -Economics and finance. -Sustainable development and ecological transition. -Circular economy.</p>	
<p>Club of Excellence in Sustainability</p> 	<p>The Club of Excellence in Sustainability is an association of 11 leading companies aimed at promoting sustainability among the Spanish business sector.</p>	<p>Executive member. Member of the climate change work group.</p>	<ul style="list-style-type: none"> <li>➤ Participation in the climate change work group.</li> <li>➤ Active participation in the association's publications related to climate change.</li> </ul>
<p>Spanish Association of the Global Compact</p> 	<p>The Spanish Association of the Global Compact is one of the first national platforms of the Global Compact and the local network with the largest number of affiliated entities. The Association is dedicated to creating a global movement of businesses and civil society to construct a sustainable society, promoting the adoption of the principles of the Global Compact and the achievement of the 2030 Agenda.</p>	<p>Executive member. Member of the climate change work group.</p>	<ul style="list-style-type: none"> <li>➤ Participation in climate change initiatives.</li> </ul>
<p>Spanish Business Council for Sustainable Development</p> 	<p>The Spanish Business Council for Sustainable Development is a community led by CEOs from around 50 Spanish companies, serving as a high-level meeting space in which top executives from the leading companies in sustainability in Spain convey a message of business leadership in sustainability.</p>	<p>Promoter member. Member of the NetZero work group.</p>	<ul style="list-style-type: none"> <li>➤ Active participation in the preparation of public statements and initiatives related to the promotion of net zero emissions.</li> </ul>
<p>Wind Energy Business Association (AEE)</p> 	<p>The AEE, is the Wind Energy Business Association, representing more than 90% of the sector in Spain, encompassing the entire value chain with its associates.</p>	<p>Member of the executive Association, committee.</p>	<ul style="list-style-type: none"> <li>➤ Active participation in the promotion of wind energy at a regulatory level, in the development of projects and communication.</li> </ul>
<p>Spanish Photovoltaic Union (UNEF)</p> 	<p>UNEF, is the main Spanish photovoltaic sector, founded in 2012, representing more than 90% of the sector in Spain, encompassing the entire value chain with its associates.</p>	<p>Member of the Board of Directors.</p>	<ul style="list-style-type: none"> <li>➤ Active participation in the promotion of photovoltaic energy by monitoring national and international regulation, communication and education.</li> </ul>
<p>Association of Renewable Energy Companies (APPA)</p> 	<p>APPA, is the Association of Renewable Energy Companies, founded in 1987, which brings together companies and institutions whose purpose is the use of renewable energy in all its forms.</p>		<ul style="list-style-type: none"> <li>➤ Participation in working groups, legislative and regulatory development.</li> </ul>

Organisation	Description of the organisation	of the Endesa's main functions at the organisation	Endesa's main activities in 2023
Association of Air Conditioning Equipment Manufacturers (AFEC)	 <p>AFEC is the Association of Air Conditioning Equipment Manufacturers, founded in 1977, a non-profit organization, focussed on strengthening cooperation between companies, legislators and standardisation and certification organisations at a national and international level.</p>	Member of the working group on heat pump data sheets.	Promote electrification through the use of heat pumps, electric boilers and other solutions to replace fossil fuels, giving visibility to Endesa's role as a net zero emissions partner through events and webinars, publications in its media, dissemination of success stories.
Association of Electricity and Energy Services Agents and Companies (ENTRA)	 <p>ENTRA, the Association of Electrical and Energy Services Agents and Companies, which aims to make the fair and comprehensive integration of flexibility a reality. It encompasses the most important and innovative agents and companies in energy services and market technologies, as well as their sustainable network structure models.</p>	Member of the Board of Directors.	Active participation in the development of legislation on distributed resource aggregation and flexibility, as well as the decarbonisation of energy models.
Business Association of Batteries, Cells and Energy Storage (AEPIBAL)	 <p>AEPIBAL, is the Business Association of Batteries, Cells and Energy Storage, founded in 2017, endorsed by the Government of Spain and supported by the largest European associations in the sector, which encompasses the entire value chain of the sector with its associates.</p>	Member of the Board of Directors. Member of work groups	Participation in working groups, legislative and regulatory development.
Business Association for the Development and Promotion of Electric Mobility (AEDIVE)	 <p>AEDIVE, the main Association for the Development and Promotion of Electric Mobility, founded in 2010, is an association of innovative companies that brings together the entire electric vehicle value chain.</p>	Member of the Board of Directors. Member of the following work groups: <ul style="list-style-type: none"> <li>-Public administrations.</li> <li>-Permits.</li> <li>-Technicians.</li> <li>-Regulations.</li> <li>-Public Electric Vehicle Charging Infrastructure.</li> <li>-Other transversal groups.</li> </ul>	Participation in working groups, legislative and regulatory development, dissemination of electric mobility as an alternative in the decarbonisation of the sector and participation in events.
Spanish Hydrogen Association (AeH2)	 <p>AeH2 is the Spanish Hydrogen Association, founded in 2002, a reference agent for the hydrogen industry in Spain. It encompasses more than 300 partners from across the hydrogen value chain.</p>	Participant.	Participate in legislative and regulatory development processes.
National Association of Energy Services Companies (ANESE)	 <p>ANESE is the National Association of Energy Services Companies, a non-profit organisation made up of companies, entities and institutions that perform their activity in the field of</p>	Member of the ANESE committee.	Promote decarbonisation and electrification as solutions for companies, enhancing the visibility of Endesa's role as a net zero emissions partner



Organisation	Description of the organisation	Endesa's main functions at the organisation	Endesa's main activities in 2023
	sustainability, ESG, the fight against climate change and the 2030 Agenda in any of its areas.		through events and webinars, publications in the media, dissemination of success stories.
<p>Spanish Association of Air Conditioning and Refrigeration (ATECYR)</p> 	<p>Technical Association of Air Conditioning and Refrigeration, founded in 1974 as a non-profit association, encompassing the entire value chain with its associates.</p>	<p>Member of work groups.</p>	<p>➤ Promote electrification through the use of heat pumps, electric boilers and other solutions to replace fossil fuels, giving visibility to Endesa's role as a net zero emissions partner through events and webinars, publications in its media, dissemination of success stories.</p>
<p>Elcano Royal Institute</p> 	<p>The Elcano Royal Institute, founded in 2001, is a think tank for international and strategic studies, carried out from a Spanish, European and global perspective.</p>	<p>Sponsor. Member of work groups.</p>	<p>➤ Support initiatives related to global challenges and governance through working groups.</p>
<p>#PorElClima Community</p> 	<p>The #PorElClima Community is the multi-sector platform that seeks to ambitiously implement the Paris Agreement. Founded in 2016, it is a space for connecting the agents who drive climate action.</p>	<p>Participant.</p>	<p>➤ Presentation and recognition of the Internal Carbon Pricing project by the #ForClimate Community as one of the 10 Business Examples of large companies in the field of climate action.</p>
<p>Platform for Global Climate Action (NAZCA)</p> 	<p>NAZCA, is the Global Climate Action portal launched by the UNFCCC in 2014, an online platform in which stakeholders from all over the world (countries, regions, cities, companies, investors and other organisations) can register their commitments to fight climate change.</p>	<p>Participant.</p>	<p>➤ Share the ambition and scope of Endesa's climate actions.</p>
<p>Portuguese Association of Renewable Energies (APREN)</p> 	<p>Founded in 1988, it represents more than 90% of renewable energy producers in Portugal. Its mission is to coordinate and represent the common interests of its members in the promotion of renewable energies in the electricity sector, serving as a direct point of contact for the government in the legislative and regulatory process.</p>	<p>Member of the work group.</p>	<p>➤ Participation in working groups, legislative and regulatory development.</p>
<p>Portuguese Electric Vehicle Association (APVE)</p> 	<p>APVE, is the Portuguese Electric Vehicle Association, a non-profit organisation founded in 1999, whose aim is to promote electric, hybrid and fuel cell vehicles, within</p>	<p>Participant.</p>	<p>➤ Participate in activities that promote electric mobility</p>

Organisation	Description of the organisation	Endesa's main functions at the organisation	Endesa's main activities in 2023
	the framework of a sustainable mobility policy.		
<p>Andalusian Cluster of Renewable Energies and Energy Efficiency (CLANER)</p> 	<p>CLANER, is the Andalusian Chairperson. Cluster of Renewable Energies and Energy Efficiency, founded in 2012.</p>	<p>➤ Participation in regulatory processes at a regional and national level, institutional collaboration at a regional level, participation in processes for the development of sectoral instruments such as wind energy tenders and participation in general-interest projects.</p>	
<p>Wind Energy Business Association of the Principality of Asturias (AEPA)</p> 	<p>AEPA is the Wind Energy Participant. Business Association of the Principality of Asturias, a non-profit association founded in 2007. It considers that wind energy is essential to meet the objectives of the Paris Agreement, the reduction of CO2 emissions and the energy transition.</p>	<p>➤ Participate in activities that promote the growth of wind energy both in the regional government and in Asturian society.</p>	
<p>Ecological Transition Cluster of the Balearic Islands (TEIB)</p> 	<p>TEIB, is the Ecological Member of the work group. Transition Cluster of the Balearic Islands, a private non-profit association, founded in 2022, dedicated to converting the Balearic Islands into an international benchmark in the ecological transition, using renewable energies and actions focussed on sectoral revitalisation, talent, innovation and sustainability.</p>	<p>➤ Participation in working groups, legislative and regulatory development.</p>	
<p>Impulsa Balears Foundation</p> 	<p>The Impulsa Balears Sponsor. Foundation is a non-profit platform for strategic knowledge and regional interaction.</p>	<p>➤ Promote the development of the circular economy in the Balearic Islands through active participation in the association's initiatives, as well as their dissemination.</p>	
<p>Wind Energy Association of Catalonia (EolicCat)</p> 	<p>EolicCat is the Wind Energy Association of Catalonia, which spans the entire value chain in Catalonia with its associates. The organisation's objectives are based on the commitment to an energy model led by the wind sector, which is energetically sustainable and efficient, as well as being committed to the territory and the people who inhabit it.</p>	<p>➤ Participate in activities that promote the growth of wind energy both in the regional government and in Catalan society.</p>	
<p>Efficiency Energy Cluster of Catalonia (CEEC)</p>	<p>CEEC is the Efficient Energy Cluster of Catalonia, a non-profit business group that</p>	<p>➤ Promote the field of energy efficiency through activities related</p>	

Organisation	Description of the organisation	Endesa's main functions at the organisation	Endesa's main activities in 2023
 <b>CEEC</b> Clúster de l'Energia Eficient de Catalunya	promotes the increase in energy efficiency.		to areas such as technology, research, institutions, regulations, industry, and dissemination.
Energy Research Institute Foundation in Catalonia (IREC)  <small>Shaping Energy for a Sustainable Future</small>	IREC is the Energy Research Institute Foundation in Catalonia, a centre of excellence in applied energy research.	Sponsor.	➤ Participate in activities related to the promotion of the sustainable development of society with greater industrial competitiveness.
Galician Wind Association (EGA)  <small>Asociación Eólica de Galicia</small>	Energy EGA is the Galician Energy Association, founded in 1997 at the initiative of nine companies, with a view to promoting the implementation of wind energy in Galicia.	Participant.	➤ Participate in activities that promote the growth of wind energy both in the regional government and in Galician society.
Navarre Wind Cluster (Enercluster) 	Cluster Enercluster is the Navarre Wind Cluster, a private non-profit organisation that aims to serve as a tool of collaboration between companies in the renewable industry to strengthen the collaboration of the renewable industry in Navarre.	Participant.	➤ Participate in activities that promote the growth of wind energy both in the regional government and in Navarrese society.

Through its parent company Enel, Endesa is also a member of a number of associations at European and international level. These associations are published on Enel's corporate website.

#### 2.4.5.5. Transparency in Institutional Relations

Endesa maintains and manages relations with institutions in accordance with the principles established in the applicable regulatory provisions and in its Code of Ethics, providing its vision or position and providing complete and transparent information so that they can make their decisions in the best conditions.

In this sense, particularly and as established in its Code of Ethics: "Endesa does not finance parties, their representatives or candidates in Spain or abroad, nor does it sponsor congresses or parties whose sole purpose is political propaganda. It refrains from any type of direct or indirect pressure on political exponents (for example, through public concessions to Endesa, the acceptance of suggestions for contracts, consultancy contracts, etc.)".

Endesa participates in business and employers' associations whose functions include representing their members in public regulatory processes and in general, within the framework of the consultation processes for energy and business policy initiatives developed by public institutions.

Endesa is committed to transparency and accountability in its activities. As part of this commitment, the company is registered in the European Union's Transparency Register. This inscription reflects the ongoing commitment to maintain open and cooperative communication with the European institutions, as well as to comply with the standards of transparency and ethics in relations with decision-makers at the level of the European Union.

In 2023, the annual contributions paid to the above-mentioned organisations in the form of membership quotas amounted to 4.92 million euros . In particular, the three most important contributions corresponded to "Association of Electricity Companies- AELEC" (2.0 million euros),

“Nuclear Forum” (0.3 million euros) and “Spanish Confederation of Business Organisations - CEOE” (0.21 million euros).

The institutional dialogue with the business and employers' associations in which Endesa participated in 2023 focused on supporting the consultation and regulatory development processes in the following areas:

- **Policy Development:** Aimed at promoting a sustainable energy model, with topics including energy efficiency, the growth of renewable energies, the development of smart grids and digitalisation. The contribution in 2023 was 3.04 million euros.
- **Business Regulation:** Related to increasing business competitiveness, including, among other topics, industrial legislation, tax regulation, labour law issues. The contribution in 2023 was 1.88 million euros.

The following table shows the amounts by type of contribution made between 2020 and 2023.

<b>CONTRIBUTIONS AND OTHER EXPENSES (MILLION EUROS)</b>				
	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
Lobbying, interest representation or similar	0	0	0	0
Local, regional or national political parties / representatives or candidates / political campaigns	0	0	0	0
Business and employers' associations	3.34	3.49	4.01	4.92
Other	0	0	0	0
<b>Total Contributions and Other Expenses</b>	<b>3.34</b>	<b>3.49</b>	<b>4.01</b>	<b>4.92</b>

In Europe, the supervision of this type of activity is carried out through voluntary registration on the platform created for this purpose by the European Commission (<http://ec.europa.eu/transparencyregister>), on which Endesa has been registered since 2011. The register aims to provide citizens with a single, direct access point to information on who carries out activities aimed at influencing the EU decision-making process, the interests pursued and the resources invested in these activities.

### 3. DOUBLE MATERIALITY



The scope of the information provided in this chapter covers both Endesa, S.A. and its investee companies in Spain and Portugal. The scope is the same as in the Legal Documentation reports. For further information, see sections 2.1.2.6. *Organisational Structure* and 2. *Report Coverage (ANNEX I: Methodology for Preparing the Report)*. Possible variations on the scope described here are presented throughout the chapter, where appropriate.

The information detailed below meets the requirements of the European Sustainability Reporting Standards (ESRS) developed by EFRAG, which are still being updated.

#### 3.1. SUSTAINABILITY CONTEXT

Endesa, with the aim of establishing its sustainable strategy and addressing, through its activity, the main environmental, social and ethical challenges that arise, must consider the context in which it operates, from the perspective of both the sector where it carries out its activity and the stakeholders it manages and with which it collaborates.

Firmly committed to its vision of leadership in a Just Energy Transition, the company continuously analyses current and potential macro-trends that may create risks and opportunities in its business model, which enables it to improve its integration into the environment and to prevent and mitigate risks and take full advantage of opportunities.

Recent global changes in health, economics and geopolitics have highlighted some realities about the extent of these systemic risks that is facing society, and the need to improve the resilience of operating models and adaptability to frequent changes.

This analysis of macro-trends is complemented by a closer look at current needs and the perception that stakeholders have about the company's activity, which obliges the company to respond immediately to the social, environmental and economic problems currently arising.

Faced with an environment of uncertainty, Endesa is working to grow and transform, with a clear awareness that sustainability is the best solution to address major challenges and generate a model of prosperity and well-being for the world's inhabitants, always respecting the limits of the planet.

Environmentally, climate change is the main focus of attention and action by governments and the private sector. However, the crisis of biodiversity loss and degradation of natural systems has highlighted the interconnectedness between climate change and the loss of biodiversity, as well as the need for a comprehensive and coordinated approach in order to achieve success. Some effects of climate change, such as water scarcity and more severe and frequent droughts, are hampering other activities such as agricultural production, food supply and economic development for parts of society.

The challenges shaping the social sphere go through a complicated scenario. Externally, the macroeconomic and geopolitical context point to an uncertain economic outlook, which, together with a crisis derived from social inequality, may erode the current model, increasing polarisation and forcing companies to redesign increasingly complex social impact strategies. From an internal point of view, demographic evolution require that organisations strive to develop new working models, accelerate digitalization and attract and retain talent that, especially in the younger generations, values sustainability as a relevant feature of companies.

Within sustainable governance, there is an increasingly demanding regulatory landscape, forcing companies to increase their efforts to comply with legal requirements for sustainability disclosures. This emerging regulation is increasingly focused on the supply chain and wider value chains, with a particular focus on human rights and the scope of greenhouse gas emissions across companies' whole value chains.

To face these challenges, it is necessary to create an environment of collaboration between companies and countries, so that the execution of actions and solutions is the sum of a whole and allows for an effect at a global level.

## **3.2. DOUBLE MATERIALITY ANALYSIS**

**3-1/3-2**

### **3.2.1. Methodology**

**2-4/2-14**

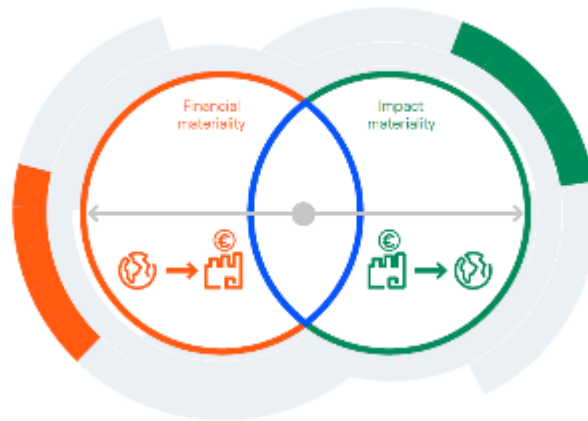
Endesa uses a double materiality analysis, or "materiality assessment" in terms of the European Sustainability Reporting Standards (ESRS), and stakeholder engagement to identify the main impacts, risks and opportunities on which the company focuses its sustainability strategy. This assessment takes into account the entire value chain of the company, as well as the operations themselves.

With an understanding of the context in which the company operates and the evolution in the principal sustainability issues, Endesa bases its materiality analysis on a double perspective. From an impact perspective, this analysis identifies the actual or potential impact, positive or negative, that the company has on people or the environment. The financial perspective allows for identifying sustainability considerations that generate risks and opportunities and that could impact the company's financial performance. Both perspectives are developed over a short, medium and long-term time horizon.

These two perspectives are intertwined such that if a sustainability issue is material, it can be so from an impact perspective, a financial perspective, or both.

MANAGING IMPACTS, RISKS AND OPPORTUNITIES:  
DOUBLE MATERIALITY

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The methodology has been designed taking into account the most recent publications of international and European reference standards: European Financial Reporting Advisory Group (EFRAG), Global Reporting Initiative (GRI), AccountAbility AA1000APS, Sustainability Accounting Standards Board (SASB) and SDG Compass.

The materiality analysis is reviewed and approved annually by the Sustainability and Corporate Governance Committee of the Board of Directors, that is, within the highest governing body of the organisation.

The process of identifying the material issues described below has undergone slight developments from the previous year's reporting, seeking full alignment with the ERS double materiality approach. The material issues have been defined solely from the identification and evaluation of the impacts, risks and opportunities that have been identified internally and externally through the participation of the company's stakeholders.

IDENTIFICATION OF MATERIAL ISSUES  
BASED ON IMPACTS, RISKS  
AND OPPORTUNITIES

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### 3.2.2. Review of Topics and Stakeholders

2-14/2-29

Integrating the current reference context analysis, and with the aim of mapping all of the company's own operations and value chain, Endesa is reviewing sustainability issues taking into account the company's policies and principles of conduct, the interests of sustainability rating agencies, sectoral benchmarking studies, the company's strategic orientation, the information provided by internal experts in the organisation and the feedback obtained in consultations with stakeholders. This identification of themes, reviewed every two years, ensures alignment with new trends, going deeper into them up to three levels, and allows for thematic grouping of impacts, risks and opportunities.

Endesa identifies and reviews all of its stakeholders every two years in order to involve all stakeholders in the materiality analysis. First-level stakeholders are: the business community, customers, the financial community, institutions, civil society, media, employees and suppliers.

The different internal areas at the company responsible for relations with each stakeholder participate in the materiality analysis by reviewing and identifying new stakeholders aligned with the context in which the company operates. With the support of these areas, Endesa also conducts an annual prioritisation of the company's stakeholders based on the parameters of influence, dependence and tension. This allows the company to assess the relevance of each of its stakeholders in order to better target its sustainability strategy.




### 3.2.3. Identification of Impacts, Risks and Opportunities

2-16/2-25

To identify impacts, risks and opportunities, Endesa has taken into account the participation of its main stakeholders, with the aim of understanding their concerns through direct consultation. This is a change from the previous process, as direct consultation had only been carried out to identify impacts.

Endesa compiles the concerns of its stakeholders through its various communication channels, and these are passed on to the Sustainability and Corporate Governance Committee as part of the company's highest governing body, integrating these concerns into results of the materiality analysis.

In 2023, the identification of impacts, risks and opportunities arising from the company's operations and value chain was carried out through:

	Type of consultation	Volume	Stakeholders
	Online consultation	>19,500	<ul style="list-style-type: none"> <li>➤ Customers</li> <li>➤ Employees</li> <li>➤ Companies</li> <li>➤ Suppliers</li> <li>➤ Civil society</li> </ul>
	Interviews	10	<ul style="list-style-type: none"> <li>➤ Customers</li> <li>➤ Investors</li> <li>➤ Civil society</li> </ul>
	Focus Group	3	<ul style="list-style-type: none"> <li>➤ Employees</li> <li>➤ Suppliers</li> <li>➤ Civil society</li> </ul>



This basis for identifying impacts has also been complemented with information from various internal and external sources. Internally, it has had the support of Endesa's different areas, which, in turn, draw from information from the management systems of each activity. Externally, the company has also analysed information from its main competitors, analysts and investors, as well as sectoral ESG reports, in order to incorporate new identifying factors.

The result of this analysis has made it possible to identify a list of more than 200 impacts, risks and opportunities that Endesa has subsequently been able to link to different sustainability issues and group them together at different levels.

#### **3.2.4. Assessment of Impacts, Risks and Opportunities**

The grouping of impacts, risks and opportunities by themes and sub-themes, at different levels, has allowed them to be assessed by internal company experts who manage and are involved in each of the sustainability themes. This provides a more detailed view of Endesa's impact on the environment and people, as well as the risks and opportunities that each issue presents for the company's financial statements.

The assessment of impacts has been carried out by distinguishing between actual and potential impacts, as well as by assessing the severity of these impacts over a short, medium and long-term time horizon. In the case of negative impacts, this severity is assessed on the basis of scale, scope and irremediability, and in the case of positive impacts, on the basis of scale and scope. For all potential impacts, the probability of the impact occurring is also taken into account. Risks and opportunities have been assessed based on the probability of occurrence and the potential magnitude of financial effects in the short, medium and long term.

The result of the evaluations is a quantitative value on a scale of 1-100, on which Endesa has established a threshold that allows it to identify its material issues, each at varying levels of detail.

The identification and evaluation of the impacts of double materiality, under the methodology described above, is integrated into the company's risk control and management process – Enterprise Risk Management (ERM) – as an additional element in the phases of identification and quantification of the main risks and uncertainties associated with Endesa's activity.

#### **3.2.5. Double Materiality Results**















Endesa's strong commitment to sustainability is reflected through setting different thresholds depending on the type of impact. The value of medium-high has been set as the threshold for determining that positive impacts, as well as risks and opportunities for Endesa, are material.

In the case of negative impacts, which require special attention to ensure they are properly managed and mitigated by Endesa, the threshold for determining their materiality is medium-low, with all impacts above this threshold being material.

Through the evaluation and definition of material issues, the company designs and carries out actions to mitigate potential impacts or risks, or to benefit from certain opportunities in relation to a sustainability issue with positive effects.

The themes associated with these values, which are thus material for the company, are detailed in the following table.

## MATERIAL TOPICS AND SUB-TOPICS

ENVIRONMENTAL	 <b>Climate change.</b> <ul style="list-style-type: none"> <li>- Adaptation to extreme weather events.</li> <li>- Reduction of direct GHG emissions (Scope 1).</li> <li>- Reduction of indirect GHG emissions (Scope 2 and Scope 3).</li> <li>- Neutralization and compensation of emissions.</li> <li>- Climate policy and management model.</li> </ul>	 <b>Water resources management.</b> <ul style="list-style-type: none"> <li>- Management of water availability and reduction of water consumption.</li> </ul>	 <b>Biodiversity and ecosystems preservation.</b> <ul style="list-style-type: none"> <li>- Protection and mitigation of impacts on biodiversity.</li> <li>- Environmental management policies and system.</li> </ul>	
	 <b>Sustainable Supply Chain.</b> <ul style="list-style-type: none"> <li>- Respect for Human Rights in the Supply Chain.</li> </ul>	 <b>People management, diversity and inclusion.</b> <ul style="list-style-type: none"> <li>- Recruitment and personal development.</li> </ul>	 <b>Engaging the local and global communities.</b> <ul style="list-style-type: none"> <li>- Supporting the social and economic development of communities.</li> <li>- Engagement and relationship with communities.</li> </ul>	 <b>Health and safety.</b> <ul style="list-style-type: none"> <li>- Safety in the construction and maintenance of facilities.</li> </ul>
	 <b>Customer focus.</b> <ul style="list-style-type: none"> <li>- Energy poverty.</li> <li>- Solutions dedicated to customer needs.</li> <li>- Quality in customer relations.</li> </ul>	 <b>Corporate conduct and ethics.</b> <ul style="list-style-type: none"> <li>- Transparency of public information.</li> <li>- Fair Competition and Antitrust.</li> <li>- Fiscal Transparency.</li> </ul>	 <b>Economic value creation.</b> <ul style="list-style-type: none"> <li>- Debt Management.</li> <li>- Investments and Regulatory or Macroeconomic Uncertainty.</li> <li>- ESG Ratings Results.</li> <li>- Sustainable Finance.</li> </ul>	 <b>Circular economy.</b> <ul style="list-style-type: none"> <li>- Waste reuse and regeneration.</li> </ul>
BUSINESS & GOVERNANCE	 <b>Electrification of use.</b> <ul style="list-style-type: none"> <li>- Electric mobility.</li> <li>- New technologies for people, cities and businesses.</li> </ul>	 <b>Improvement and development of distribution networks.</b> <ul style="list-style-type: none"> <li>- Reliability, security and maintenance of existing networks.</li> <li>- Digitalization and new networks.</li> </ul>	 <b>Digital Transformation.</b> <ul style="list-style-type: none"> <li>- Cybersecurity.</li> </ul>	

The details of the impacts, risks and opportunities with a quantitative value that exceeds the threshold defined by Endesa are shown in *ANNEX X: Description of identified Impacts, Risks and Opportunities* in this report.

The assessment of all impacts, risks and opportunities takes into account the company's entire value chain, e.g., it includes the upstream and downstream value chain as well as the operations themselves. The impacts reflected below are an example of this:

- Respect for human rights across the company's supply chain, upheld as part of the different internal processes related to qualification and recruitment: Endesa regularly carries out a human rights due diligence process, updated in 2023, to continue in its commitment to continuously assessing compliance with the United Nations Guiding Principles and Endesa's Human Rights Policy. This process analyses all of the company's activity throughout its value chain and results in an action plan to minimise risks and potential associated impacts. Through the Sustainability Plan (Section 2.4.2. *Endesa's Sustainability Plan 2024-2026* in this report), Endesa has set a target for its supply chain to verify the human rights impacts of 100% of its qualified suppliers. In addition, through the Global Compact supplier training programme, which Endesa joined in 2023, more than 250 SMEs have been trained in sustainability, with specific emphasis on human rights.
- Promoting the electrification of cities through the availability of electric mobility infrastructure and technology: Endesa is committed to clean electrification as a strategy for an energy transition that improves the world of the future. In the recently updated strategic plan, the

company expects to source 90% of the energy sold to fixed-price customers from non-CO<sub>2</sub>-emitting sources by 2026.

Endesa has defined its material topics in accordance with the requirements included in EFRAG's European Sustainability Reporting Standards (ESRS), which, for the time being, do not establish specific thresholds to determine the importance of the issues. For this reason, and since the identification of impacts, risks and opportunities has been carried out through direct consultation with the different stakeholders, Endesa has also taken into account other elements to define the topics on which it will base the information in this report, thus responding to all the issues reflected in section 2.3. *WHAT IS IMPORTANT TO US*. This, apart from Endesa's materiality analysis, allows the company to take into account other factors to shape its business model and sustainable strategy and to address the main trends and challenges at sector level, as well as information from other relevant sources at national and international level.

For this reason, Endesa tries to address all relevant issues and also provides information on sound governance, air, soil and water quality, innovation, sustainability and waste. These are issues where, despite the identification of impacts, risks and opportunities, no assessments have been obtained that exceed the thresholds set by the company.

### **3.3. INTEGRATION OF STAKEHOLDERS IN THE SUSTAINABILITY STRATEGY**

#### **3.3.1. Assessment of the Priority and Fulfilment of Stakeholder Issues**

**2-12/2-29**

In addition to the materiality analysis, Endesa takes into account its stakeholders' priorities and perceptions of performance through direct consultation regarding each of the sustainability issues.

In this regard, the company has evaluated the level of priority and satisfaction through more than 1,000 online surveys answered by representatives of the business community, customers, employees, suppliers and society.

These values are complemented by the priority of sustainability issues for the company's strategy, which take into account the lines of action defined in its Strategic Plan, as well as the direct participation of the Management Committee, including the representation of the Chief Executive Officer, through a specific survey that gathers their assessments.

The combined analysis of stakeholders' priorities and the relevance of each of the issues to the company's strategy produces the prioritisation matrix, which helps to identify the material issues under the concept of double materiality and aids in defining the objectives to be included in the Strategic Plan and the Sustainability Plan.

2023 PRIORITIES' MATRIX.  
PRIORITY FOR THE COMPANY VS PRIORITY FOR STAKEHOLDERS



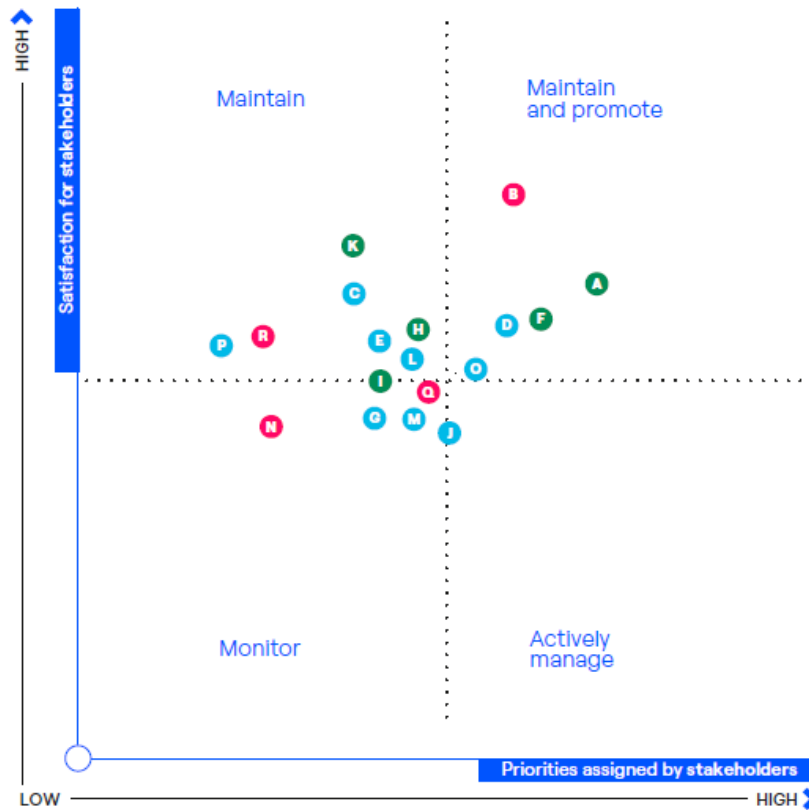
Similarly to 2022, the results of the analysis keep climate change and health and safety as the top priority issues for stakeholders, in addition to the company's strategy, followed by the issue of economic value creation.

- Climate change: The fight against climate change is one of the biggest challenges globally and, therefore, one of the key challenges facing companies today. Institutions and governments are developing and imposing increasingly demanding regulations and public policies aimed at driving a zero-emission global economy, and for this, electrification plays a critical role. Institutional investors are increasingly paying attention to corporate governance and performance in relation to climate change, which implies increasingly ambitious strategies. In its most recently updated strategic plan, Endesa expects to achieve net zero emissions by 2040, while maintaining an investment of 4.3 billion euros in renewables to reach 13,900 MW of renewable capacity by 2026 and thus achieve 93% emission-free production in the Iberian Peninsula.

- Health & Safety: Optimal management of health and safety, both physical and mental, helps to build trust and enhance people's commitment to the work they do, also helping to improve performance and increase productivity and efficiency. Endesa considers this issue to be among the company's main priorities, both for its employees and the rest of its value chain, setting increasingly ambitious objectives in its Sustainability Plan and monitoring metrics for proper management.
- Creation of economic value: Businesses play a key role in the progress of local and global economies and, in many cases, have a responsibility to be drivers of the change that society needs. Endesa is committed to investing 8.9 billion euros over the next three years, of which 2.8 billion euros gross will go to the distribution networks, 4.3 billion euros to renewables and 900 million euros to the customer area.

Endesa also analysed the level of stakeholder satisfaction with regard to the different sustainability issues with a view to establishing the issues on which the company should focus more intensely. The results are shown in the matrix below through the intersection between the priority for stakeholders and their perception of performance.

SATISFACTION MATRIX 2023  
STAKEHOLDER SATISFACTION VS STAKEHOLDER PRIORITY



● Business & Governance	● A Climate change	● J Improvement and development of distribution networks
● Social	● B Health & safety	● K Waste
● Environmental	● C Economic value creation	● L Digital Transformation
	● D Ethical Corporate Conduct	● M Circular economy
	● E Sound governance	● N People management, diversity and Inclusion
	● F Water Resources Management	● O Electrification of use
	● G Customer focus	● P Innovation & Sustainability
	● H Biodiversity and ecosystem preservation	● Q Sustainable Supply Chain
	● I Air, water and soil quality	● R Engaging the local and global communities

The survey conducted shows a high level of stakeholder satisfaction with the company's management of these issues, with no significant criticism identified. By crossing the level of priority given versus the level of perceived satisfaction, the results indicate that Endesa needs to focus on the improvement and development of distribution networks, climate change and the management of water resources. The survey particularly highlights innovation and sustainability, the involvement of local and global communities and waste management.

Endesa incorporates these results into its planning process and sets objectives and actions aimed at continuing to improve its performance in the different sustainability issues analysed in order to successfully meet the expectations of its stakeholders.

### 3.3.2. Stakeholder Communication Channels

In order to guarantee a continuous dialogue, and as a testament to the importance of stakeholders for the company's strategy, Endesa has set up different channels of communication for each of its main stakeholders, as described below:

Stakeholder	Main channels of communication
Customers	<ul style="list-style-type: none"> <li>➤ Sales offices</li> <li>➤ Sales people</li> <li>➤ Website</li> <li>➤ Customer service centres</li> <li>➤ Work groups and forums</li> <li>➤ Mobile app</li> <li>➤ Social media</li> <li>➤ Surveys</li> </ul>
Business community	<ul style="list-style-type: none"> <li>➤ Direct contact</li> <li>➤ Meetings and work groups</li> <li>➤ Forums and workshops</li> </ul>
Financial community	<ul style="list-style-type: none"> <li>➤ CNMV</li> <li>➤ Corporate website</li> <li>➤ Activities organised by the investor relations department (Roadshows)</li> <li>➤ Shareholder office</li> <li>➤ General shareholders' meeting</li> <li>➤ Communications with vote advisors</li> </ul>
Employees	<ul style="list-style-type: none"> <li>➤ Corporate channels (intranet, social media, newsletters, etc)</li> <li>➤ Forums and work groups</li> <li>➤ Mailboxes</li> <li>➤ Interviews and meetings with senior management</li> <li>➤ Surveys</li> </ul>
Institutions	<ul style="list-style-type: none"> <li>➤ Direct contact</li> <li>➤ Forums and sessions</li> <li>➤ Work groups</li> </ul>
Media	<ul style="list-style-type: none"> <li>➤ Direct contact</li> <li>➤ Press conferences</li> <li>➤ Forums and sessions</li> <li>➤ Social media</li> </ul>
Suppliers	<ul style="list-style-type: none"> <li>➤ Direct contact</li> <li>➤ Website</li> <li>➤ Committees</li> <li>➤ Forums and sessions</li> <li>➤ Work groups</li> </ul>
Civil society	<ul style="list-style-type: none"> <li>➤ Direct contact</li> <li>➤ Work groups</li> <li>➤ Forums and sessions</li> <li>➤ Website</li> <li>➤ Social media</li> <li>➤ Ethic channel</li> <li>➤ Sustainability mailbox</li> </ul>

## **4. OUR PERFORMANCE**

**4.1. OUR ZERO EMISSIONS AMBITION.**

**4.2. JUST ENERGY TRANSITION.**

**4.3. CLEAN ELECTRIFICATION.**

**4.4. GROWTH ACCELERATORS.**

**4.5. NATURE.**

**4.6. PEOPLE.**










**4.7. ESG PILLARS.**



## 4.1. OUR ZERO EMISSIONS AMBITION

Material Topics	Plan	SDGs
Climate change		  

The objectives of the Sustainability Plan (ESP) 2024-2026 and the closure of these indicators are shown below.

SDGs	Activities	Units	2022	2023	ESP Objectives 2024-2026	
					2024	2026
	Specific GHG Scope 1 emissions intensity relating to power generation	gCO <sub>2</sub> eq/kWh	205	193		145
	Specific Greenhouse Gas Scope 1&3 emissions relating to Integrated Power	gCO <sub>2</sub> eq/kWh	213	214		140
	Specific GHG emissions Scope 3. emissions relating to Gas Retail <sup>1</sup>	MtCO <sub>2</sub>	14.2	8.1		10
	Mainland production free of CO <sub>2</sub> emissions (mainland)	%	73	80	88	93
	Installed renewable capacity <sup>2</sup>	MW	9,337	9,943		13,680
	Production from renewable sources <sup>3</sup>	TWh	12.0	14.2	17.9	23.6
	CapEx aligned with the European Union Taxonomy (% eligible aligned)	%	76	76	>80 in the 2024-2026 period	
	CapEx aligned with the SDGs	%	87	86	>90 in the 2024-2026 period	
	ISO 14001 quality certification for renewable generation assets	%	100	100	100	100

<sup>1</sup> The target does not include mergers and acquisitions

<sup>2</sup> Cumulative gross installed capacity

<sup>3</sup> Net production

### Objectives



New



Redefined objective

## Actions to highlight

- 606.90 MW connected to the grid, of which 1.44 MW corresponds to wind power and 605.46 MW to 9 new photovoltaic farms, reaching a total of 9,899 MW by the end of 2023.
- 67% reduction in greenhouse gas emissions from the electricity generation process compared to the base year (2017).

3. Continued progress on the coal closure roadmap, with the cessation of operation of the As Pontes (A Coruña) thermal power plant, thereby closing all coal on the Spanish mainland and contributing to the objective of ending coal production in Spain by 2027.
4. Awarded at the COP28 climate summit in Dubai, Endesa's Just Transition project in Andorra for being one of the most innovative private sector initiatives in the category of renewable energies, integration and clean energy, within the Energy Transition Changemakers award.
5. All targets set in accordance with the 1.5°C scenario, including all greenhouse gas emissions (scopes 1, 2 and 3) and certified by the SBTi initiative at the Enel Group level.
6. Renewal for the seventh consecutive year of the "Leadership" rating in CDP Climate.

The scope of the information provided in this chapter covers both Endesa, S.A. and its investee companies in Spain and Portugal, the same as in the Legal Documentation reports. For more information, see sections 2.1.2.6. *Organisational Structure* and 2. *Report Coverage (ANNEX I: Methodology for Preparing of the Report)*. Possible variations to the scope described here are presented throughout the chapter.

Data is also included relating to facilities over which Endesa does not have control in proportion to its shareholding, as is the case of nuclear facilities. Possible variations to the scope described here are presented throughout the chapter.

### Climate Change Management at Endesa

As a leading player in the energy sector, Endesa is aware of the importance of leading the transformation towards a low-carbon economy to tackle climate change. Therefore, as a consequence of the work and ongoing dialogue with stakeholders, and aware of the economic, social and environmental repercussions of its activities, Endesa has put in place a sustainable development strategy aligned with implementation of its strategic plan that aims to generate sustainable value, based on the sustainability, environmental, biodiversity and human rights policies approved by its Board of Directors. In November 2022, the 2023-2025 Strategic Plan was presented, guiding the Company's activities during the 2023 financial year towards a sustainable business model, and is complemented by the 2023-2025 Sustainability Plan, which brings together Endesa's sustainability guidelines, including more than 100 quantitative targets over the same period. Each year, the objectives are reviewed to ensure their continuity and alignment with the strategy, in order to increasingly integrate sustainability throughout the value chain.

Endesa believes that the transition to a carbon neutral economy is technologically possible, economically viable and socially necessary, and to this end the 2023-2025 Strategic Plan, which guided its actions in the 2023 financial year, is based on three main actions: solid growth in the emission-free generation installations, extension of the value offer of services and electricity supply for customers, and continued efforts to digitise the distribution network as a key asset to facilitate the energy transition.

It promotes initiatives that contribute to a fairer, healthier and more equal society and achieving the Sustainable Development Goals (SDGs), particularly Goals 7 (Affordable and clean energy) and 13 (Climate action).

In November 2023, Endesa presented its updated strategy for the three-year period 2024-2026, against a backdrop of financial costs and inflation, with a plan that continues on from the previous one, focusing on financial and environmental sustainability. Gross investment will stand at 8.9 billion euros (in line with the previous plan), and distribution networks and renewable generation (two of the pillars of clean electrification) remain key focal points.

Endesa promotes transparency in its climate change disclosures and works to make it visible to its stakeholders that it is addressing climate change with diligence and determination. To this end,

the company has prepared the 2023 Sustainability and Non-Financial Statement following the recommendations of the Financial Stability Board's "Task Force on Climate-related Financial Disclosures" (TCFD) and the European Commission's June 2019 "Guidelines on Climate-Related Reporting", which, together with the "Global Reporting Initiative" (GRI) standard and the guidelines on the presentation of non-financial information, provide the main framework for the Group's climate change information. Consequently, the structure of this chapter is aligned with the recommendations of the TCFD, successively addressing the recommended elements: Corporate governance, strategy, risks, metrics and objectives.

**Governance** in the field of climate change is established at the highest level. The supervision and monitoring of the risks and opportunities related to climate change, and the approval of a business strategy consistent with them, is headed by the Board of Directors, with the senior management of the company taking care of its development and implementation.

Furthermore, since the creation of the Sustainability and Corporate Governance Committee in 2020, Endesa has had a sustainability management and governance system that involves all areas of the company and guarantees its commitment to climate-related issues. This committee currently consists of three independent members of the Board of Directors. This ensures that Endesa's commitment to sustainability remains unwavering in all decision-making processes and in the conduct of its day-to-day business. The Committee establishes an annual work programme with specific objectives in relation to each of its functions and an annual meeting calendar.

Endesa's **strategy** is aligned with the climate emergency and with the overarching climate ambition of limiting the temperature increase to 1.5 °C through the accelerated decarbonisation of its energy mix, which will be fully renewable in 2040 and contributing to the decarbonisation of other energy uses.

In this regard, it should be mentioned that Endesa's performance in 2023 has been affected by various external factors, such as regulatory, technical and meteorological causes, which have hindered progress towards certain goals and objectives related to sustainable and carbon-free generation.

Endesa closes 2023 with an increase in installed renewable capacity of 606.90 MW to 9,899 MW. In addition, Endesa, in its eagerness to increase its ambition, through its latest 2024-2026 Strategic Plan, ratifies its energy transition strategy by increasing the installed capacity of renewable sources compared to its previous plan, thus reaching a renewable power portfolio of 13,900 MW in 2026, a figure that includes 241 MW of BESS (Storage Systems with batteries) and H2 (Hydrogen). In total, 40% more than at the end of 2023. The 2024-2026 Strategic Plan envisages a growth of 3,900 MW of renewable energy to reach a total of 13.9 GW of installed renewable capacity by the end of this period, allocating 4.3 billion euros for this purpose.

This growth in renewables will be supported by a highly diversified project portfolio of 60 TWh, of which 21 TWh correspond to mature projects and 1.4 TWh to projects under execution, with a technological distribution of 54% solar, 24% wind, and 19% battery storage projects, and including three star projects: Andorra (~2,000 MW), Pego (> 800 MW) and new wind developments in Galicia (~800 MW).

The process of defining Endesa's strategy is accompanied by a careful analysis of the main **risks and opportunities** linked to it, including aspects related to climate change. Prior to the approval of the 2024-2026 Strategic Plan presented at the end of 2023, a qualitative and quantitative analysis of the risks and opportunities associated with Endesa's strategic positioning was carried out. Specific risk factors identified included exchange rates, inflation, prices and volumes, political and regulatory developments, industry growth, customer portfolio and efficiency, reputation, weather and climate events, and competition-related risks.

To assess the resilience and flexibility of the climate change strategy, and identify the risks and opportunities that arise, Endesa uses climate and energy scenarios over three time horizons:

- Short-term (to 2026, corresponding to the Strategic Plan), where sensitivity analyses can be performed based on the 2024-2026 Strategic Plan.
- Medium-term (to 2034), where it is possible to see the effect of the energy transition and the impact of the National Integrated Energy and Climate Plan (PNIEC).
- Long-term (to 2050, the target date for achieving climate neutrality), when chronic structural changes at the climate level should become apparent.

The **measurement** of Endesa's performance in terms of climate change shows that the company once again plays a key role in the fight against climate change, demonstrating leadership and contributing significantly to the fulfillment of national and international commitments that address the decarbonisation of the planet and complying with the objectives of the aforementioned Paris Agreement. The result of this recognition is the renewal of the "*Leadership*" rating for the seventh consecutive year in an index as prestigious as the CDP.

Endesa, as a signatory through the Enel Group to the "*Business Ambition for 1.5°C*" campaign promoted by the United Nations, has certified an emissions reduction target aligned with a maximum temperature increase of 1.5°C compared to pre-industrial levels, covering direct and indirect emissions through specific targets, in line with the criteria and recommendations of the Science Based Target Initiative (SBTi), which include:

- Maintain the commitment to achieve a decarbonised generation mix by 2040.
- Phase out coal-fired production by 2027.
- Maintain the commitment to phase out the marketing of natural gas to end customers by 2040.
- A Just Transition plan based on training and retraining programs.

With regard to other emissions, as part of the SBTi objective certified at the level of the Enel Group, Endesa aims to become "Net-Zero" by 2040. In keeping with the aspiration to achieve zero emissions, the use of neutralization instruments would potentially be considered for those emissions for which there is no emission-free technological solution.

#### 4.1.1. Commitment to Climate Change



#### International and National Context

The most important milestones in the global commitment to fighting climate change are:

Milestone	Description
Paris Agreement.	<ul style="list-style-type: none"> <li>➤ Its main objective is to limit the global temperature increase to 2°C, with the intention to keep it within 1.5°C compared to the pre-industrial period. It also introduces the requirement to achieve carbon neutrality, which is required to be achieved in the second half of the century.</li> </ul>
United Nations Climate Change Conference (COP28) in Abu Dhabi (UAE)	<ul style="list-style-type: none"> <li>➤ It was held in 2023. COP 28 was particularly momentous as it marked the conclusion of the first 'global stocktake' of the world's efforts to address climate change under the Paris Agreement. Global stocktakes are conducted every five years in order to evaluate the global response to the climate crisis and chart a better way forward. COP 28 played an influential role in identifying global solutions to limit global temperature rise to 1.5 degrees and informing governments about preparations for revised and more ambitious Nationally Determined Contributions (national climate plans), due in 2025. There was a widespread call for increased ambition and international climate finance. In addition, for the first time in the framework of international negotiations, It was pointed out the need to abandon fossil fuels in order to succeed in the fight against climate change.</li> </ul>

From 30 November to 12 December, COP28, the 28th annual meeting of the 195 countries of the Conference of the Parties to the United Nations Framework Convention on Climate Change, was held in Dubai, United Arab Emirates, to discuss ways to avoid climate change and adapt to its effects.

In a year in which all temperature records have been broken, a historic low in Antarctic ice extent has been reached, and there has been a general increase in the frequency and intensity of extreme weather events, COP 28 was one of the last chances to avoid a 1.5°C temperature increase.

Ending fossil fuels, which are the cause of the climate crisis, has been the main debate at the Dubai talks. While most countries were in favour of the final agreement including a reference to the need to abandon fossil fuels, the oil countries were only willing to make an ambiguous commitment to reduction. Finally, an agreement was reached that accelerate efforts towards phasing out fossil fuel. A commitment that can be described as historic because, although we have not yet turned the page on the fossil fuel era, we can say that a turning point has been marked and It's the beginning of the end.

The agreement also sets out a series of measures needed to achieve the rapid and sustained reduction in emissions required to limit the temperature increase to 1.5°C:

- Phasing out fossil fuels.
- triple the capacity of renewable energies and double energy efficiency improvements.

Efforts must be stepped up towards phasing out coal, achieving emission-free road transport and eliminating fossil fuel subsidies. Special mention should be made of the treatment of nuclear energy which, for the first time, has been mentioned alongside renewable energies as a technology to be promoted in order to succeed in the fight against climate change.

In adapting to the effects of climate change, countries have agreed on a set of targets that identify the way forward to become resilient to the impacts of a changing climate. These targets include the need for references to food security, the scarcity of water resources and the impact on health, which highlight the reality of the risk that climate change poses to our well-being.

A point always critical to the balance of international negotiation has been and remains funding in relation to the commitment of resources that developed countries must make available to developing countries, which have not contributed to the problem but nevertheless suffer its consequences. COP28 again highlighted the failure to meet the climate finance target, set at \$100 billion per year from 2020, and continued discussions on establishing a "new collective quantified climate finance goal" to be adopted in 2024.

In this sense, one of the successes of the summit has been to achieve the implementation of the so-called Loss and Damage Fund, which will serve to compensate the most vulnerable countries that, without being responsible for the climate crisis, are the most affected by disasters caused by global warming, such as droughts, floods or fires, in order to place nature, people, lives and livelihoods at the centre of climate action.

### **Endesa's Just Transition project in Andorra wins award for innovation at COP28**

Endesa's Just Transition project in Andorra was awarded at the COP28 climate summit in Dubai for being one of the most innovative private sector initiatives in the category of renewable energy, integration and clean energy, as part of the Energy Transition Changemakers award.

The award represents international recognition for this project, which last year won the competition for access capacity in the Just Transition area of Andorra organised by the Ministry of Ecological Transition and the Demographic Challenge.

Endesa has designed a future plan for the area where its thermal power plant, currently being dismantled. The Presidency of the United Nations Climate Change Conference (COP28) was looking for game-changing energy transition acceleration projects that would benefit society as a whole.

The award recognises private sector initiatives that develop innovative, globally scalable projects that demonstrate solutions to aid in the energy transition. During the award ceremony in Dubai, Jorge Pina, Endesa's Head of Environment, explained: "*The project perfectly embodies the idea of leaving no one behind. It represents a before and after, because it was approached from different perspectives to the conventional ones to address the problem of depopulation. From its design phase, it integrated the technological and energy components with the socio-economic needs of the area through collaborative schemes, as well as the effort of public planning and private implementation of measures to correct these situations.*"

For all these reasons, Endesa's Just Transition project in Andorra is a benchmark that improves knowledge and promotes the progress of new developments that support the penetration of renewable energies and contribute to maintaining the rural population and guaranteeing a just transition in these areas.

In 2023, the European Union has continued to make great progress towards its ambitious climate targets, despite the recent energy crisis. However, there are still significant challenges to be addressed. These include technological aspects such as electrification of demand, grid interconnections, storage systems, increased deployment of renewable energies and the integration of other energy sources such as hydrogen and biomethane. However, when transforming the European Union's energy system, it is also important to ensure energy security, boost energy independence, ramp up domestic production of clean technologies, and make energy more affordable, as evidenced by the recent energy crisis.

In this context, the main legislative proposals of the "Fit for 55" package were deployed over the course of 2023, allowing the European Commission to submit an updated version of its Nationally Determined Contributions (NDC) to the UN Framework Convention in October 2023. Regarding Spain, the transposition of the objectives to combat Climate Change is developed in the following Plans:

Plan	Description
<b>Integrated National Energy and Climate Plan 2021-2030 (PNIEC).</b>	➤ It sets an ambitious target for the penetration of renewables, specifically foresees that by 2030 74% of total electricity generation will be of renewable origin, consistent with a trajectory towards a 100% renewable electricity sector by 2050, and complemented by increasing additional storage capacity. Likewise, in the area of energy efficiency, which is one of the pillars of Integrated National Energy and Climate Plan 2021-2030 (PNIEC), an improvement target of 39.5% is set for 2030. The PNIEC is currently under review, with the latest draft version published in June 2023.
<b>National Climate Change Adaptation Plan 2021-2030 (PNACC)</b>	➤ It is the basic planning instrument to promote coordinated action against the effects of Climate Change in Spain. ➤ Endesa has been working for over a decade on a range of projects to generate awareness about climate change and minimise as much as possible the vulnerability of all its facilities to the phenomenon; share and exchange impressions of the results obtained; and foster ongoing learning about, and resilience to, climate conditions, enabling it to optimise the management of its businesses.

The need to reinforce strategic autonomy, the increased European climate ambition reflected in the "Target 55" and "REPowerEU" packages, the most recent energy context, or the progress made possible by the Recovery, Transformation and Resilience Plan, roadmaps, strategies and measures, have been some of the main factors that have characterised a process of updating the PNIEC in 2023.

v includes objectives consistent with the emission reductions adopted at European level, and which will be specified in the following proposed targets for 2030:

- 32% reduction in greenhouse gas emissions compared to 1990.
- 48% of renewables over end use energy.
- 44% improvement in energy efficiency in terms of end use energy.
- 81% renewable energy in electricity generation.
- Reduction of energy dependence by up to 51%.

Once approved, the Spanish PNIEC 2023-2030 will serve as a guide to Endesa's actions up to 2030 to reduce greenhouse gas (GHG) emissions, implement energy efficiency measures and generate electricity from renewable sources. The plan sets out a clear and sufficiently ambitious roadmap at national level.

### Endesa and the Energy Transition

Endesa's strategy is geared towards the context of climate urgency and the call for increased ambition, setting ambitious targets through the successive Strategic Plans drawn up since the Paris Agreement was adopted.

Endesa's performance in 2023 was affected by various external factors. Although progress continued to be made in the implementation of renewable energies and in meeting the environmental indicators of its strategic plan, such factors hindered progress towards certain goals and objectives related to sustainable and carbon-free generation. Among them:

- The delay in the authorisation to close the As Pontes Thermal Power Plant due to security of supply criteria against the backdrop of the energy crisis, which has meant that it has had to continue operating until October 2023.
- Delays in updates to the remuneration parameters for the cogeneration facilities led to a shortfall in the contribution of this technology in 2023.
- Application of the Iberian derogation during the first month and a half of 2023, coupled with the low availability of France's nuclear generation pool and exceptional weather conditions, led to a decrease in hydroelectric production in 2023 at a national level compared to recent

years not affected by the drought period. This resulted in an increased operation of the combined cycle power plant portfolio.

- Delay in the launch of the competitive tender in the non-mainland territories (Canary Islands, Balearic Islands, Ceuta and Melilla), where Endesa is the main generator, is an obstacle to the possibility of upgrading the generation pool or accessing cleaner fuels. Together with an ageing generation base, this has had a significant impact on the emission of greenhouse gases by these electricity systems.

Endesa aims to be Net-Zero by 2040, considering the use of neutralisation instruments for those emissions for which there is no emission-free technological solution. Endesa thus contributes to the goal certified by the Science Based Targets Initiative (SBTi) at Group level by its parent company Enel. This accelerates the company's exit from its fossil fuel generation and gas sales business to become a 100% renewable electricity company that is not tied to fossil fuel or emission-producing technologies. Likewise, and within the same certification, the objective of zero emissions is included for all its marketed electricity, which includes both its own generation and that acquired from third parties.

In the eight years since the Paris Agreement was adopted, Endesa has reduced its direct emissions by 66% since 2015 and 79% since 2005, when the Kyoto Protocol came into force. In order to stay on the established path of decarbonisation, Endesa adopted additional and more ambitious commitments, also encouraged by the need for energy independence from fossil fuels, maintaining the path towards a completely decarbonised mix. Proof of this is that it has signed its support for the initiative of the Global Renewables Alliance, which called at COP28 for the goal of tripling renewable energy capacity by 2030 compared to 2022 levels.

Against a backdrop of inflation and higher finance costs, Endesa has updated its Strategic Plan for the 2024–2026 period to reaffirm its energy transition strategy based on an increase in the installed capacity of renewable sources to achieve a volume of renewable power of 13,900 MW by 2026, 40% more than at the end of 2023. With this, 93% of electricity production in the Iberian Peninsula will be emission-free in 2026, up from 80% at the close of this year. The new renewable capacity that will be added to Endesa's energy mix in this period will amount to 3,900 MW. In addition, the Strategic Plan 2024-2026 calls for an investment of 2.8 billion euros in distribution grids, a key factor for decarbonisation by allowing for the inclusion of renewables, recharging of electric vehicles and enabling active participation of demand through self-consumption facilities.

This growth in renewables is underpinned by one of the largest and most diversified project portfolios in the sector, which includes facilities with a production capacity of 21 TWh in a mature state of administrative processing and 1.4 TWh under execution. 54% of the portfolio is solar, 24% wind and another 19% corresponds to battery storage projects.

#### **4.1.1.1. Position on the Main Climate Change Policies**

Endesa carries out promotional actions involving institutions, or through industry associations, non-governmental organisations and the academic world, in order to promote its vision of the climate and policies to eliminate greenhouse gas emissions.

The activities in which it participates contribute both to the evolution of the regulatory framework and to the development of policies necessary to achieve the objectives of the Paris Agreement.

In relation to regulatory developments, in 2023, Endesa has interacted directly with public administrations, positioning itself on the main climate-specific regulatory and legislative events, as well as those related to energy and environmental issues related to the objective of decarbonisation.

Among others, the company has supported regulatory processes aimed at greater climate ambition by 2030, measures that allow the decarbonisation of the generation fleet and the electrification of demand. The main regulatory developments in which Endesa has participated



can be consulted in the report Endesa's Policies for Promoting the Paris Agreement, available on the corporate website.

Likewise, with the aim of promoting issues related to the energy transition and the fight against climate change at national and regional level, Endesa plays an active role in various associations and organizations, committing itself to ensure that they fully comply with the objectives of the Paris Agreement.

To this end, a process is carried out to verify the coherence of the positions of the associations in which it participates with the company's climate policies. The verification methodology together with the assessment of the partnerships is published in the report Endesa's Policies for Promoting the Paris Agreement, available on the corporate website.

The verification process is carried out prior to participation in the partnership through an analysis of the partnership's statutes. Once in the partnership, a review of the level of alignment with the Paris Agreement is carried out annually. To promote this alignment, Endesa can assume positions of responsibility, while promoting its position in the working groups and actively contributing to their publications or other activities of the association.

When it is detected that a partnership is not aligned with the objectives of the Paris Agreement, it is assessed whether the lack of alignment could compromise Endesa's work in the fight against climate change.

In general, Endesa considers that, if there is a deviation in an association, it could be appropriate to continue to be a member of it with the aim of influencing and aligning the position of that association with its own vision of achieving the objectives set by the Paris Agreement. If alignment is not reached, Endesa could eventually decide to withdraw from the association.

#### **4.1.2. Corporate Governance Focused on Climate Change Management**

##### **3-3 Emissions Management Approach/2-18/2-19**

##### **Board of Directors**

Endesa is aware of the effects of climate change on its business, and integrates this vision not only as an element in its environmental and climate management policy, but also as a major component in decision-making at the company level, and in determining its strategic plans. To address this, Endesa integrates its action plan on Climate Change into its strategic plan. In this sense, Endesa's strategic plan is oriented and elaborated based on the fight against climate change and is approved each year by the Board of Directors, and developed and implemented by the Company's Senior Management. Specifically, the Chief Executive Officer is responsible for the execution of the Company's strategic plan and, therefore, the company's climate strategy.

The Board of Directors of Endesa, S.A. is responsible for the following matters where climate change is considered a key factor in ensuring success:

- Approving a strategic or business plan that should include an action plan for climate change,
- Approving the sustainability policy and the sustainability plan or strategy, currently focused on the energy transition.
- Approving the Environmental Policy, which includes climate change, and which was reviewed, updated and approved by the Board of Directors in 2021 and is available to the public on Endesa's website.
- Establishing a risk management and control policy, including as regards climate-change risk.
- Establishing the management objectives, annual budgets, investment and financing policies of the Company and its group, as well as defining the basic lines of the general strategy.

Endesa establishes its strategic plans taking into account geopolitical, regulatory and technological macro trends, placing special emphasis on the markets in which it operates, and considering the risks and opportunities it faces (taking into account operational, technological, market and transition aspects, and physical risks, among others).

### Appointments and Remuneration Committee (ARC)

The Appointments and Remuneration Committee (ARC) is responsible for reporting on and/or proposing the appointments of directors and the Remuneration Policy to the Board of Directors for submission to the General Shareholders' Meeting. This Committee proposes carbon dioxide (CO<sub>2</sub>) emission reduction targets to the Board of Directors of Endesa, S.A. It also monitors these targets, which are linked to the variable remuneration of executive directors.

Endesa has established a system of long-term incentives, called the Loyalty Plan or Strategic Incentive, the main purpose of which is to reward the contribution to the company's business strategy and long-term sustainability of the people in positions of greater responsibility, e.g., the Executive Directors, as well as the Executives whose participation is considered essential in achieving the Strategic Plan. This long-term variable remuneration is structured through successive three-year programs, starting every year, and include targets that are reviewed annually. At the date of issue of this report, the 2021-2023, 2022-2024 and 2023-2025 Plans are in force, which establish the following objective directly related to the management of climate change:

Objectives	Description
<b>Carbon dioxide (CO<sub>2</sub>) reduction targets.</b>	➤ Reduction in Endesa's specific carbon dioxide (CO <sub>2</sub> ) (gCO <sub>2</sub> /kWh) emissions for a specific period. It is defined as the ratio between absolute CO <sub>2</sub> emissions from electricity generation by Endesa and total net production of Endesa in the relevant year. This parameter has a weighting of 10% of the total incentive.

For more information, see *Note 47.3.5. Share-based payment schemes tied to the Endesa, S.A. share price, in the Notes to the Consolidated Financial Statements* for the year ended 31 December 2023.

The Appointments and Remuneration Committee is also responsible for establishing the welcome programme for new directors, and refresher programmes when circumstances so advise.

### Audit and Compliance Committee (CAC)

The main function of the Audit and Compliance Committee (CAC) is to monitor and assess the preparation and presentation of all required financial and non-financial information on the Company, the independence of the auditor and the efficiency of internal risk control and management systems, in addition to informing the Board of Directors or the General Shareholders' Meeting of transactions with related parties in accordance with prevailing laws and regulations. In terms of risk management, the risk control and management model implemented in the Company, which expressly includes the risks associated with Climate Change, is aligned with international standards following a methodology based on the 3-line model.

### Sustainability and Governance Committee

The Company has established a Sustainability and Governance Committee with responsibility for ensuring the strictest compliance with, and implementation of, actions and strategies to combat climate change. The main duty of this Committee is to advise the Board of Directors of Endesa, S.A. on supervision and monitoring of issues related to the environment, including climate change. For example, it includes information on the Company's risks and objectives in terms of Climate Change, prior to its review and report by the Audit and Compliance Committee and its subsequent formulation by Endesa's Board of Directors. The Committee has other functions including:

- Review the company's sustainability and environmental policies.

- Supervise the Sustainability Plan, which includes objectives related to climate change, and its degree of compliance.
- Verify that the Non-Financial Statement is in line with the Endesa Group's Sustainability Plan, and that it includes information on the Company's risks and objectives in terms of climate change.

At present, this Committee consists of three independent members of the Board of Directors. This ensures that Endesa's commitment to sustainability remains unwavering in all decision-making processes and in the conduct of its day-to-day business. The Committee establishes an annual work programme with specific objectives in relation to each of its functions and an annual meeting calendar. The Committee meets in accordance with this calendar, as well as whenever convened by its Chairman, when so decided by the majority of its members or at the request of the Board of Directors, with a minimum of four meetings per year.

In the amendment of the Regulations of the Sustainability and Corporate Governance Committee of February 2022, the competences of the Committee in the field of Climate Change were reinforced, expressly including its responsibility in the periodic review of Climate Change policies, as well as in verifying that the Non-Financial Statement includes information on the Company's climate change risks and objectives. During 2023, issues related to Climate Change have been discussed in 2 of the 5 meetings of the Sustainability and Corporate Governance Committee.

#### 4.1.3. Climate Strategy. Long-Term Scenarios

##### 201-2

##### Climate Strategy

Endesa promotes a model based on the use of renewable energies, smart grids, efficient energy storage and the promotion of demand electrification, as vectors of competitive and efficient decarbonisation.

To ensure the success of the company's commitment to carry out its activity in harmony with nature, Endesa is working on four fronts that, together, address its main impacts:

Areas of action	Description
<b>Climate action</b>	➤ Sets out the strategy, roadmaps and targets for reducing emissions and combating climate change, based on solid growth in renewable generation, a broad portfolio of energy products and services of value to our customers and the digitalisation of distribution networks.
<b>Just Transition</b>	➤ Applies a fair and inclusive transition approach of shared value with society and aligned with the objectives of the Paris Agreement.
<b>Protection of Biodiversity and Natural Capital</b>	➤ It integrates biodiversity conservation and natural capital preservation into decision-making with the goal of achieving no net biodiversity loss in new projects by 2030.
<b>Circular Economy</b>	➤ It incorporates the concept of circular economy to integrate the sustainable use of resources, increasing the life of its assets and reducing the use of raw materials and the generation of waste.

One of Endesa's essential strategic pillars is the energy transition towards the total decarbonisation of electricity generation by 2040, with plans to achieve a complete end to coal-fired electricity generation activity by 2027. Following the closure in 2020 of the coal-fired plants of Compostilla (1,052 MW of installed capacity), Teruel (1,098 MW) and Litoral de Almería (1,120 MW), authorisation was received for the closure of the 1,469 MW As Pontes plant in August 2023. Authorisation for the closure of the As Pontes Thermal Power Plant was requested in 2019, with the aim of being able to close the plant by 30 June 2021, but its granting has been delayed for various reasons beyond Endesa's control and responsibility, in particular due to security of supply criteria in a scenario of energy crisis. As a result, the plant has been forced to continue operation

for part of 2023. At present, only units 3 and 4 of the Alcuña Thermal Power Plant have remained in operation, doing so for a maximum of 500 hours per year on an emergency basis.

Accompanying the closure of the main greenhouse gas emitting centers, a significant growth in renewable generation is being undertaken under the model of creating shared value with society. The development and management of Endesa's renewable energies in Spain is carried out through Enel Green Power España, S.L.U. (EGPE) (100% owned by Endesa).

Endesa closes 2023 by increasing its installed renewable capacity by 606.90 MW, reaching 9,899 MW net installed renewable power, of which 4,668 MW correspond to large hydro, 2,884 MW correspond to wind power, 2,269 MW to solar photovoltaic, 78 MW to mini-hydro, and 0.5 MW to biogas plants.

For more information on progress in climate transition, see chapter *4.2 Just Energy Transition*.

#### **4.1.3.1. Scenarios**

##### **201-2**

#### **Energy Transition and Climate Change Scenarios**

Endesa promotes transparency in the disclosure of the impact of climate change and works to show its stakeholders that it is addressing climate change diligently and decisively. Endesa is committed to adopting the recommendations of the Financial Stability Board's Task Force on Climate-related Financial Disclosures (TCFD) and to follow all updates that are published. In 2020, the Enel Group, Endesa's parent company, participated as a member of the TCFD Advisory Council in the development of specific recommendations to support scenario analyses. Endesa was one of the first utilities to take into account the "Guidelines on disclosure of climate-related information" published by the European Commission in June 2019, which, together with the TCFD and the GRI standard, constitute the reference framework for the disclosure of climate change-related issues.

#### **Scenario-based Analysis**

Endesa develops short-, medium- and long-term macroeconomic, financial, energy and climate scenarios to support planning processes, capital allocation, strategic positioning, risk assessment and strategy resilience. Strategic planning through the use of scenarios is based on the definition of "alternative futures", defined based on certain key variables, such as the fulfilment of the objectives defined in the Paris Agreement. With respect to the foresight approach, the scenarios offer greater flexibility and enable preparation to affront risks and take advantage of opportunities. The forecasting approach provides projections based on past trends, which therefore do not anticipate changes or incorporate assessments of risks or uncertainties. In contrast, scenario development makes it possible to analyze and model alternative plausible futures, allowing different pathways, time horizons, and options to be designed and ultimately supporting the strategic decision-making process with the aim of maximizing opportunities and mitigating risks. This aspect is particularly relevant in the event of potential significant shocks arising from the development of key uncertainties.

#### **Comparative Scenario Analysis and Planning**

Performing a comparative analysis (benchmarking) of energy scenarios is a useful starting point for building robust internal scenarios. There are many energy transition scenarios, global, national and regional, published by different bodies and designed for multiple purposes, from government planning to supporting business decision-making processes. The benchmarking activity involves analysing scenarios prepared by organisations in order to compare the results with respect to the energy mix, emission levels and technology options, and to identify, for each scenario, the main drivers of the energy transition.

The activity of comparative analysis of energy transition scenarios is carried out in 3 steps:

## 1. Contextual analysis of global and national scenarios

Scenario analysis, beyond the analysis of reports and databases, is reinforced by a constant dialogue with the analysts of the main agencies that design the scenarios.

Global energy scenarios are classified by categories of scenarios, based on the level of climate ambition:

Scenario Families	Description
Current Policies / "Business as Usual".	➤ Energy scenarios based on current policies.
Aligned with Paris Agreement "Paris Aligned".	➤ Energy scenarios consistent with the Paris Agreement, e.g., they include the objective of limiting the average increase in global temperatures to below 2°C compared to pre-industrial levels.
More ambitious objective than Paris Agreement "Paris Ambitious" / "Net Zero"	➤ Global energy scenarios that establish a transition towards net zero emissions of Greenhouse Gases (GHG) by 2050, in a way that is consistent with the most ambitious goal established in the Paris Agreement, that is, ensuring that the increase in the global average temperature does not exceed 1.5°C, considering different probabilities.

## 2. Data collection and analysis, and identification of drivers of the energy transition

The data collection covers all key metrics of the energy system, including, for instance, primary energy, total and sectoral final energy, total and by technology electricity capacity, total and by technology electricity generation, hydrogen production, electric vehicle fleet, etc. The analysis of the data allows the scenario developers to identify the key elements of the "Business as usual" scenarios and the drivers that enable an acceleration of the energy transition in the "Paris Aligned" and "Paris Ambitious" scenarios.

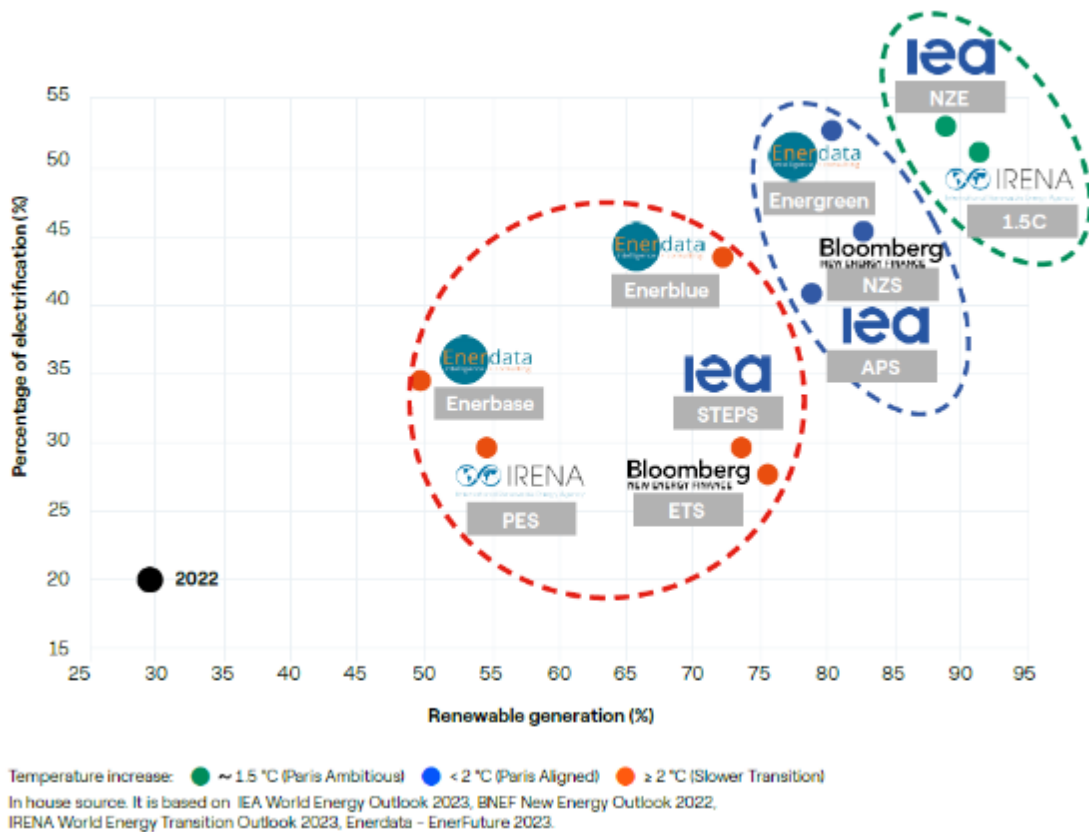
## 3. Preparation of a synthesis document

A document is prepared setting out the data analysis and digital representation of the key metrics of the external scenarios to support decision-making by the Company's management on the scenario framework to be used.

Within the document, the external supplier scenarios discussed are grouped according to the scenario families described above. For each family, the elements of convergence and the elements on which there is not full consensus among them are outlined.

## The Main Drivers of the Transition: Electrification and Renewables

GLOBAL ENERGY  
TRANSITION SCENARIOS @2050



Analysing the different external scenarios, there is a unanimous consensus among energy analysts as to which are the main drivers for achieving climate goals: the level of electrification of demand and the share of renewables in the different scenarios, both in the medium and long term. Specifically, in scenarios compatible with an increase in global average temperature that does not exceed 1.5 °C, the level of electrification of demand rises above 50% in 2050, compared with 20% in 2022; whereas the share of renewable generation must reach at least 90% of the global electricity mix, compared with 30% in 2022.<sup>45</sup>

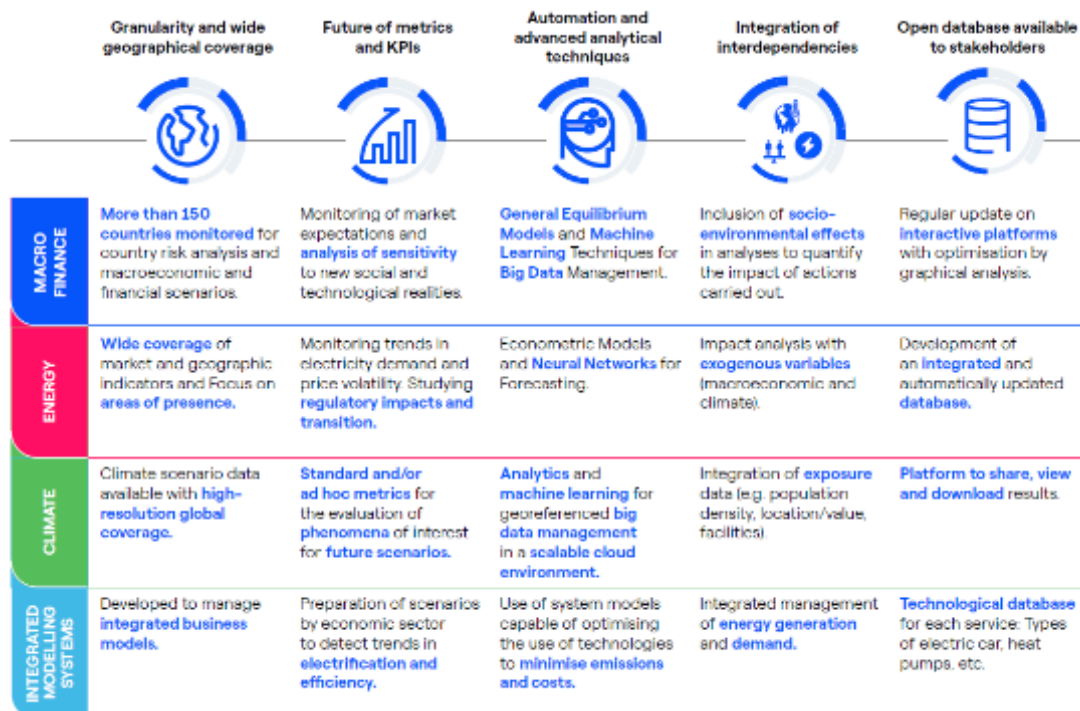
<sup>4</sup> IEA, 2023, WEO: 53%; IRENA, 2023, World Energy Transition Outlook: 51%.

<sup>5</sup> IEA, 2023, WEO: 89%; IRENA, 2023, World Energy Transition Outlook: 91%.

## Endesa's energy transition and climate scenarios

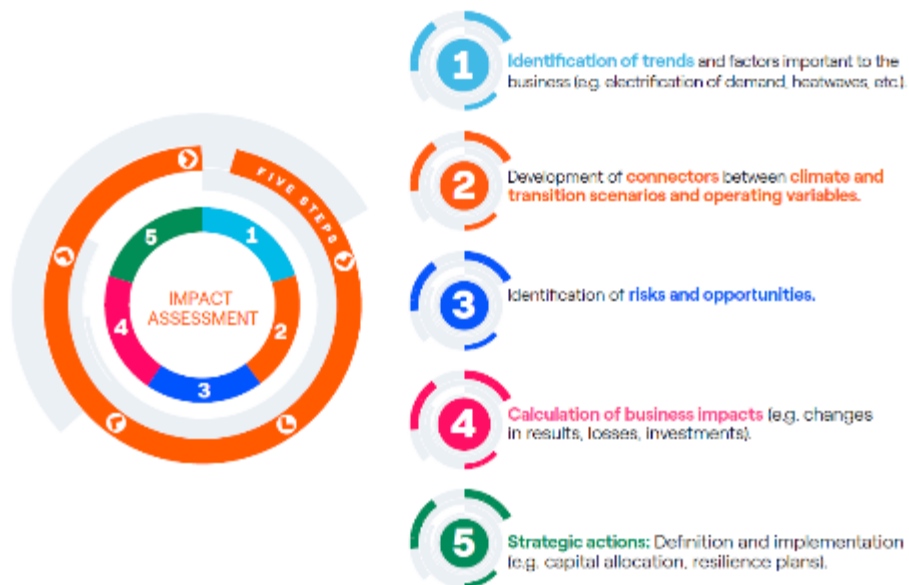
Endesa's scenarios are built with a view to having a general framework that can ensure coherence between the energy transition scenarios and the physical scenarios:

Scenarios	Aspects that define them
<b>Transition scenarios</b>	➤ To describe how energy production and energy consumption evolve in the various sectors in a given economic, social, political and regulatory context.
<b>Physical Scenarios</b>	➤ To take into account issues related to future trends of climate variables (in terms of frequency and intensity of acute and chronic events).



As described in the chart above, the definition of scenarios at Enel Group level requires the acquisition and processing of an enormous amount of information and data, as well as the identification of the methodologies and metrics necessary to interpret complex and, in the case of climate scenarios, very high-resolution phenomena. All of this requires a continuous dialogue both with the organization itself and with the analysts of the main organizations that design the scenarios. To assess the effects of physical and transition phenomena on the energy system, models are used that describe the energy system taking into account technological, socioeconomic, political and regulatory specificities.

The adoption of energy and physical transition scenarios and their integration into business decision-making processes takes into account the TCFD guidelines, and is an enabling factor in assessing the risks and opportunities associated with climate change. The process that translates scenario phenomena into useful information for industrial and strategic decision-making can be summarized in five steps:



#### 4.1.3.1.1. Transition Scenarios

##### Description and Framework

A transition scenario represents how energy production and consumption may evolve in a given economic, social and regulatory context, according to the different technological options available. This corresponds to an evolution of Greenhouse Gas (GHG) emissions and a climate scenario, and therefore to a certain increase in temperature at the end of the century compared to pre-industrial values. It should be noted that according to the carbon dioxide (CO<sub>2</sub>) emissions, the scenario that will materialise is not deterministic. Even the Intergovernmental Panel on Climate Change (IPCC) always specifies for each climate scenario both the average values of global warming by 2100 and the very likely range, that is, the interval formed by the 5th to the 95th percentiles.

The main assumptions considered in the definition of Endesa's energy transition scenarios refer to the macroeconomic and energy context, the regulatory framework, market evolution, and the costs of adopting technologies for production, transformation and energy consumption.

The baseline scenario for planning, referred to as the Reference scenario, is a Paris Aligned scenario, which assumes the achievement of the Paris Agreement targets, i.e., a global average temperature increase below pre-industrial levels of below 2°C, with a level of climate ambition higher than business as usual but without assuming the global achievement of the Net Zero target in 2050, given the current level of ambition accumulated at global level and the slowdown in the speed of the energy transition that the current macroeconomic and energy context is causing at local level in some transition variables. The scenario takes into account recent developments in European and national climate and energy legislation, in particular the draft National Integrated Energy and Climate Plan (PNIEC) published in June 2023. The scenario considers a sustained growth of renewable energies in the coming years, especially solar energy, and a more moderate



evolution in terms of the development of green hydrogen compared to what was foreseen in the PNIEC.

In addition to the baseline scenario, two alternative scenarios have been defined depending on the degree of climate ambition, which also consider different macroeconomic and commodity price assumptions. The two alternative scenarios are:

Alternative Scenarios	Description
"Slower Transition":	Characterised by a slower energy transition in the medium term. Considers a delay in the implementation of policies for greater penetration of renewable energies, green hydrogen and electric technologies, in particular for private cars and the electrification of domestic energy consumption
"Accelerated Transition":	Characterised by increased ambition compared to the Reference scenario, in particular with regard to some characteristic variables of the energy transition. The scenario envisages an acceleration in renewable energy authorisation processes, leading to a higher annual level of installations, and development of green hydrogen consistent with the draft national integrated energy and climate plan (PNIEC), as well as a further boost to energy savings in buildings.

The assumptions on the evolution of commodity prices used in the Reference *scenario* are consistent with the external scenarios that achieve the objectives of the Paris Agreement. The price of carbon dioxide (CO<sub>2</sub>) is expected to grow steadily until 2030, following a progressive reduction in the supply of carbon permits coupled with growing demand and a progressive reduction in the price of coal, due to a decrease in demand. With regard to gas, it is estimated that price tensions will ease in the coming years as a result of a realignment between supply and demand at a global level. Lastly, a progressive stabilisation of the price of oil is foreseen, for which a peak in demand with respect to 2030 is estimated.

	2023 <sup>2</sup>		2030		
	Endesa	Endesa	Average benchmark <sup>1</sup>	Benchmark high <sup>1</sup>	Minimum Benchmark <sup>1</sup>
<b>Brent Price (\$/bl)</b>	<b>83</b>	~74	~77	~91	~64
<b>Average coal price Api2 (€ / MWh)</b>	<b>130</b>	~83	~85	~110	~60
<b>Carbon Dioxide (CO<sub>2</sub>) (€/t)</b>	<b>84</b>	~120	~128	~150	~115
<b>TTF gas price (€/MWh)</b>	<b>41</b>	~30	~26	~30	~16

<sup>1</sup>Source: IEA Announced Pledges Scenario, BNEF, IHS Green Case scenario, Enerdata Energreen. N.B. the scenarios used as a reference were published at different times of the year, and may not be up to date with the latest market dynamics.

<sup>2</sup>Closing price.

The alternative scenarios, however, assume an acceleration of decarbonisation, driven by regulation, and at the same time a faster decline in demand for fossil fuels, which inevitably translates into lower fossil fuel prices in 2030. Whereas, in the case of a slower transition, fuel demand will peak more gradually, which will maintain energy commodity prices.

With respect to full achievement of the Paris Agreement, i.e., stabilisation of the global average temperature at +1.5°C, uncertainty persists that some countries may remain on inertial trajectories and fail to take timely and effective action to reduce their emissions, delaying the decarbonisation process towards net zero emissions in 2050. Nevertheless, Endesa operates a business model and has defined strategic guidelines that are in line with the maximum ambition of the Paris Agreement targets, e.g., consistent with a global average temperature increase of 1.5°C by 2100, as certified by the *Science-Based Targets Initiative* (SBTi) at Enel Group level. Endesa has set a target of zero direct emissions by 2040 (Scope 1) with fully renewable electricity generation, and zero emissions related to the retail sale of energy also by 2040 (Scope 3).

#### 4.1.3.1.2. Physical Scenarios

##### Description and reference framework

For the assessment of physical risks, three climate scenarios have been selected consistent with those published in the sixth report of the Intergovernmental Panel on Climate Change (IPCC)<sup>6</sup>. These scenarios are characterised by a level of emissions in line with what is known as the "Representative Concentration Pathway" (RCP), with each scenario being related to one of the five scenarios defined by the scientific community as "Shared Socioeconomic Pathways" (SSP), based on general assumptions as to population, urbanisation, and other factors.

In accordance with the above, the three scenarios considered are described as follows:

Scenarios	Description
"Shared Socioeconomic Pathways" 1 (SSP 1) - "Representative Concentration Pathway" 2.6 (RCP 2.6):	Scenario compatible with a global temperature increase of well below 2°C in 2100 with respect to pre-industrial levels (1850-1900). The Intergovernmental Panel on Climate Change (IPCC) projects an average temperature increase of ~+1.8°C over the period 1850–1900. For the analysis that considers both the physical and the transition variables, the Group associates the "Shared Socioeconomic Pathway" 1 (SSP 1) – "Representative Concentration Pathway" 2.6 (RCP 2.6) scenario with the "Reference" and "Accelerated Transition" scenarios.
"Shared Socioeconomic Pathways" 2 (SSP 2) - "Representative Concentration Pathway" 4.5 (RCP 4.5).	This scenario is compatible with an intermediate scenario that estimates an average temperature increase of around 2.7°C by 2100 compared to 1850-1900. This scenario has been considered the most representative of the current climate and geopolitical context at a global level. This scenario projects global warming in line with the estimates arising from the current and envisaged policies at world level <sup>7</sup> . In its analysis that considers both the physical and the transition variables, we associate the Shared Socioeconomic Pathway 2 (SSP 2) – Representative Concentration Pathway 4.5 (RCP 4.5) scenario with the Slower Transition scenario.
"Shared Socioeconomic Pathways" 5 (SSP 5) - "Representative Concentration Pathway" 8.5 (RCP 8.5).	Compatible with a scenario based on the premise that no specific measures will be taken to combat climate change. This scenario considers that the global temperature increase with respect to pre-industrial levels will be about 4.4 °C by 2100.

The Shared Socioeconomic Pathway 5 (SSP 5) – Representative Concentration Pathway 8.5 (RCP 8.5) scenario is considered the most unfavourable situation, having been used to assess the consequences of climate impacts under an extreme scenario. The Shared Socioeconomic Pathways 1 (SSP 1) - Representative Concentration Pathway 2.6 (RCP 2.6) scenario is used to assess the consequences of climate impacts associated with an energy transition that achieves ambitious targets in terms of mitigation.

The work carried out with climate scenarios considers both chronic phenomena and extreme events. For the description of specific complex phenomena, data and analyses carried out by private and public entities and academic institutions are taken into account.

##### Analysis of the physical scenarios at Endesa

The scenarios used are global, but in order to define the effects at the level of the specific areas in which Endesa carries out its activity, they must be analysed at the local level.

The work carried out by the Department of Earth Sciences of the International Centre for Theoretical Physics (ICTP) in Trieste, Italy has allowed the projections of the most important

<sup>6</sup> IPCC Sixth Assessment Report (2021), "The Physical Science Basis".

<sup>7</sup> Climate Action Tracker thermometer, estimates of global warming in 2100 considering the current "Policies & action" and "2030 targets only" (update December 2023).

climatic variables with a resolution equivalent to a grid of between 12 and 100 km in length, for a time horizon between 2020-2050.<sup>8</sup> The main variables considered are temperature, snow and rainfall, and solar radiation. For a more robust analysis, we are currently working on the basis of the regional climate model defined by the International Centre for Theoretical Physics (ICTP), plus others selected from the most representative group of climate models.<sup>9</sup> Working with multiple models allows for more robust analyses based on average assumptions of the individual models. For some specific climate variables, such as wind gusts, we work with entities specialised in the field. In 2023, analysis continued of projections for Spain based on the set of models mentioned above, which has provided a more accurately defined representation of the physical scenarios.

The International Centre for Theoretical Physics (ICTP) also provides scientific support for interpretation of the climate data considered.

The analysis of certain aspects depends not only on climate projections, but also on the characteristics of the territory, so it is necessary to carry out a more specific modelling to achieve a high-resolution representation. To achieve this, Natural Hazard maps are used to complement the climate scenarios developed by the International Centre for Theoretical Physics (ICTP). Thanks to the use of these maps, it is possible to obtain, with a high spatial resolution, the expected frequencies for a series of climatic events such as storms, hurricanes or floods. The findings of this type of analysis using historical series are being used to optimise the insurance strategy. Work is currently underway to integrate these findings with climate scenario projections.

Endesa has equipped itself with tools and acquired sufficient knowledge to work independently with the gross data published by the scientific community. This enables a high-level global overview of the long-term development of climate variables. The sources used are the outputs of the climate and regional models of the CMIP6 and CORDEX (<https://www.wcrp-climate.org/wgcm-cmip/wgcm-cmip6>) and CORDEX (<https://cordex.org/>). CMIP6 is the sixth assessment of the Coupled Model Intercomparison Project (CMIP) from the World Climate Research Programme (WCRP) and the Working Group of Coupled Modelling (WGCM). It provides gross climate data from global climate models, which are used to assess the standard metrics on a global scale, with a resolution of around 100 km x 100 km. The Coordinated Regional Climate Downscaling Experiment (CORDEX) also fits into the scope of the World Climate Research Programme (WCRP), providing regional climate projections with greater resolution.

## Conclusions in relation to the territories in which Endesa operates

The work carried out has made it possible to draw the following conclusions regarding the territories in which Endesa operates (Extreme Events and Chronic Phenomena):

### Extreme Events

#### Heat Waves

The phenomenon of extreme temperatures can be studied by using the standard indicator, the Warm Spell Duration Index (WSDI). This metric considers heat waves characterized by a duration of at least six consecutive days with a daily maximum temperature above the 90th percentile of the historical distribution<sup>10</sup>. Overall, in central and southern Europe, the number of days characterised by an acute episode as defined by the Warm Spell Duration Index (WSDI) will increase in all future scenarios in the 2030-2050 period compared to the historical baseline (1990-2020). In particular, as shown in the figure, heat waves in Spain will be more geographically widespread and more frequent in period 2030-2050. Compared to a past with a number of days per year characterised by a warm spell of around 20 days, in the RCP 2.6 scenario, this phenomenon will fluctuate between +10 and +15 days in almost the whole of Spain. In the RCP

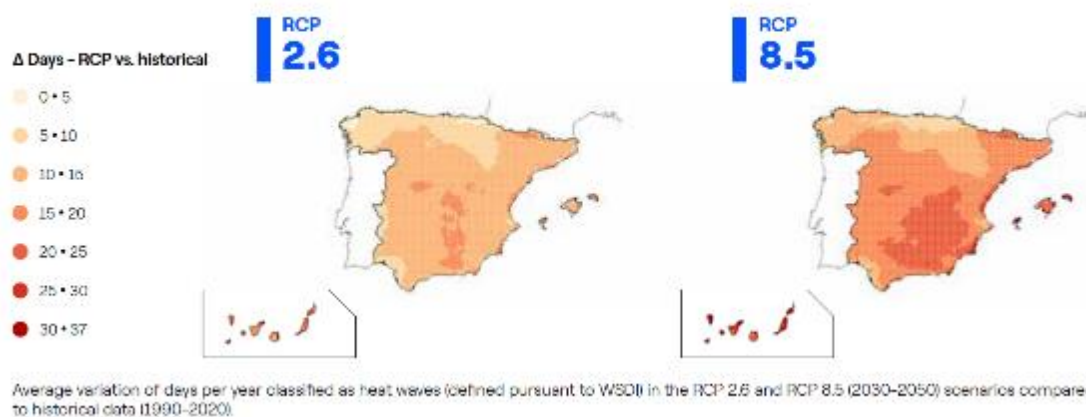
<sup>8</sup>Climate projections mainly cover the RCP 2.6 and RCP 8.5 scenarios. When available, RCP 4.5 is also offered, which when unavailable is derived from the other scenarios using pattern scaling.

<sup>9</sup> The number of models used varies depending on the RCP scenario.

<sup>10</sup>In the scientific literature there are different indicators that measure the same physical phenomenon. At Endesa, when necessary, specific indicators are calculated to better calculate the relevant acute events for the various activities.

8.5 scenario, the duration of heat waves will be even longer, especially in the southern part of the country (mainly +20 to +25 days, with peaks of up to +37 days in certain coastal locations in the Mediterranean).

## HEAT WAVE



## Extreme rainfall

Heavy rainfall can be analysed by estimating the variation in daily rainfall above the 95th percentile, calculated as annual mean millimetres over the reference periods. In Central and Southern Europe, the expected change in acute precipitation in the period 2030-2050 compared to the baseline period 1990-2020 varies from area to area and depends on the scenario being considered. In Spain, this acute phenomenon will undergo changes in most of the country under the RCP 2.6 scenario. Specifically, heavy rainfall will increase slightly in some areas of the north, while it will decrease in the southeast. In the RCP 8.5 scenario, heavy rainfall will decrease in the south of the country and in the northwest.

## Fire risk

Fire risk can be studied through the Fire Weather Index (FWI), a widely used international indicator that takes into account various variables, such as temperature, humidity, rainfall, and wind, to estimate a fire risk index. The data, provided by the ICTP, are useful for characterizing the trend in fire risk and supporting companies in their proper management. In order to provide a more complete representation of fire risk, it is possible to integrate the analysis of this phenomenon by also studying vegetation indices. Vegetation can act as fuel and increase the likelihood of fire spread<sup>11</sup>.

In Central and Southern Europe, the number of days per year with extreme fire risk (e.g., with a FWI value > 45) will tend to increase almost everywhere in the period 2030-2050 compared to the baseline period 1990-2020. In all future scenarios, the area of Spain that will experience the greatest increase in fire risk is the south-central part of Spain. This increase is more pronounced in the worst-case scenarios (RCP 8.5) than in the RCP 2.6 scenario.

<sup>11</sup>One of the metrics used is obtained by reprocessing NASA data from the Normalized Difference Vegetation Index (NDVI). NDVI quantifies vegetation by measuring the difference between near-infrared light (which vegetation reflects intensely) and red light (which vegetation absorbs). It is a good indicator of vegetation growth and density. The higher the NDVI, the more abundant and healthier the vegetation.

## Cold Snaps

There are several indicators for measuring extreme cold-related events<sup>12</sup>. One such clue is the so-called frost days index, e.g., the average number of frost days per year<sup>13</sup>.

Comparing RCP 2.6 (2030-2050) with the historical data (1990-2020), frost days in Central and Southern Europe will remain unchanged or slightly decrease in all countries. In Spain, only in some areas, such as the Pyrenees, will there be a greater decrease in the number of days of intense frost (from -5 to -10 days compared to the historical period). At RCP 8.5, a more geographically extensive decrease in frost days is expected. In fact, a decrease of up to -15 frost days per year is expected in parts of northern and central Spain compared to the historical period. It should be noted that the decrease in frequency does not exclude an increase in the intensity of this acute phenomenon, an issue that is currently being analysed.

## Chronic phenomena

### Temperature

The analysis of potential demand for cooling and heating has been refined and updated. In terms of Heating Degree Days (HDD)<sup>14</sup> and Cooling Degree Days (CDD)<sup>15</sup>, in the period 2030-2050, compared to the period 1990-2020, HDD is estimated to decrease in all scenarios, ranging from -4% for RCP 2.6 and RCP 4.5 to -16% in RCP 8.5. The data also confirms an increase in CDD, +38% in the RCP 2.6 scenario and an increase of +57% and +94% in the RCP 4.5 and RCP 8.5 scenarios, respectively.

The average data per country has been calculated as a national average, weighting each geographic node by population using the *Shared Socioeconomic Pathways* (SSPs) associated with each RCP scenario. With the CDD being the variable that will vary the most, the figure shows the CDD calculated at high resolution for the historical and expected mean change in the RCP 2.6 scenario over the period 2030-2050. The distribution of the population used as a weighting for the calculation at the national level is also shown.

### Rainfall

We have analysed the variation in total rainfall in the basins of relevance for Endesa's hydroelectric production. From this analysis, the data show no appreciable changes when comparing the RCP 2.6 (2030-2050) scenario with the historical scenario (1990-2020), with an overall trend of slight decline.

Endesa has been a pioneer in the use of climate scenarios. In 2009, the Company launched its first project to analyse and assess the vulnerability of all its businesses and facilities globally. This led it to be selected by the former Ministry of Agriculture and Fisheries, Food and Environment (now the Ministry of Ecological Transition and Demographic Challenge (MITECO)) as the representative of the energy sector for the ADAPTA I and II initiatives. Endesa has continued to delve deeper into the subject, participating in multiple international initiatives and developing projects in different areas.

For more information, see section 4.1.4.2. *Adaptation to climate change* of this chapter.

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<sup>12</sup>In addition to the standard indicators found in the scientific literature, ad hoc metrics have also been developed to better study the phenomenon at the technological level.

<sup>13</sup>The frost days are the number of days per year when the minimum temperature is below 0°C.

<sup>14</sup>*Heating Degree Days* (HDD): annual sum of the difference between the indoor temperature (estimated at 18°C) and the outside temperature, considering every day of the year with an outdoor temperature of 15°C or less.

<sup>15</sup>*Cooling Degree Days* (CDD): Annual sum of the difference between the indoor temperature (estimated at 21°C) and the outdoor temperature, considering all the days of the year that have an outdoor temperature greater than or equal to 24°C.

#### 4.1.3.1.3. Joint Effect of the Transition Scenarios and Physical Scenarios on Electricity Demand

The country's demand can be quantified using the energy system modelling tools described in the section 4.1.3.1.1 *Transition Scenarios*. This level of detail makes it possible to discern the specific effects that a change in temperature can have on energy demand.

Transition scenarios	▲ Temperature Effect	Definition of strategic baseline scenario <sup>1</sup>
Change in Temperatures	<ul style="list-style-type: none"> <li>"Reference"</li> <li>"Slower Transition"</li> <li>"Accelerated Transition"</li> </ul>	<ul style="list-style-type: none"> <li>➤ Link "Heating Degree Days" (HDD) and "Cooling Degree Days" (CDD) in accordance with the "Representative Concentration Pathway" Scenario 2.6 (RCP 2.6) to the "Reference" and "Accelerated Transition" scenarios.</li> <li>➤ Associate the "Heating Degree Days" (HDD) and "Cooling Degree Days" (CDD) consistent with the "Representative Concentration Pathway" 4.5 (RCP 4.5) scenario and the "Slower Transition" scenario.</li> <li>➤ To further stress the analysis, the latter scenario (RCP 4.5) has also been associated with a "Representative Concentration Pathway" Scenario 8.5 (RCP 8.5).</li> </ul>

<sup>1</sup>Strategic base scenario aligned with compliance with the Paris Agreement on the reduction of emissions at European level.

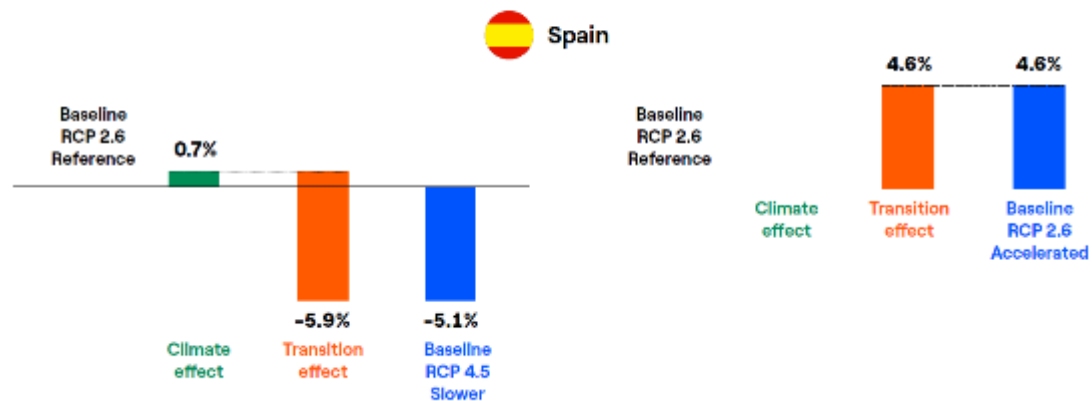
In view of current policies and the significant commitment of the European Union to achieve carbon neutrality by 2050, all three scenarios ("Reference", "Slower Transition" and "Accelerated Transition") converge to that outcome. However, the "Slower Transition" scenario is associated with a different and higher "Representative Concentration Pathway" (RCP) scenario, which corresponds to a slower trend in GHG emission reductions.

Regarding the effect of the transition considered independently, the faster speed in reaching carbon neutrality of the "Reference" scenario makes it a more electrified scenario compared to the "Slower Transition" scenario. This scenario estimates, for the period 2031-2050, lower average values of electricity demand of around 5% in Spain. In addition, faster penetration of green hydrogen and higher electrification of buildings means that electricity demand in the "Accelerated Transition" scenario is 4.6% higher than in the "Reference" scenario. If the effect of electricity demand for hydrogen production is disregarded, the differential is +2.3% for the "Accelerated Transition" scenario and remains essentially unchanged for the "Slower Transition" scenario. It should be noted, however, that the level of materialisation of green hydrogen demand remains similar to that of the "Reference" scenario in the two comparative scenarios: only the speed of penetration of the technology varies.

THE JOINT EFFECT OF TRANSITION SCENARIOS  
AND PHYSICAL SCENARIOS ON ELECTRICITY DEMAND

**Reference RCP 2.6 to  
Slower Transition RCP 4.5**

**Reference RCP 2.6 to  
Accelerated Transition RCP 2.6**



Average effect on electricity demand (2031-50) of the three transition scenarios associated with RCP scenarios 2.6 and 4.5

The speed of the energy transition has a much greater impact on the level of electricity demand than the increase in temperature as a result of climate change. Decarbonisation policies, together with technological innovation and social responsibility, will play an active role in the development of electricity demand and the energy mix in general. In any case, it is clear from the analysis carried out that the increase in temperature as a result of climate change implies an increase in electricity demand, although with a reduced impact.

### Sensitivity Analysis

To assess the impact of temperature on the transition scenarios and extend the range of assumptions related to climate change, a sensitivity analysis was performed associating the "Slower Transition" scenario with the "Representative Concentration Pathway" 8.5 (RCP 8.5) scenario rather than the "Representative Concentration Pathway" 4.5 (RCP 4.5) scenario. This analysis shows, as an average value, a non-significant variation in electricity demand as a result of the worsening of the climate scenario in period 2031-2050.

#### 4.1.4. Risk Management

##### 201-2

Endesa has a General Risk Management and Control Policy, approved by the Board of Directors. This Policy lays down the basic principles and the general framework to control and manage risks of any kind that could affect the attainment of targets, ensuring that they are systematically identified, analysed, assessed, managed and controlled within the risk levels set. The General Risk Management and Control Policy identifies the different types of financial and non-financial risks (including operational, technological, legal, social, environmental, incorporating those related to climate change, political and reputational risks, including those related to corruption) faced by the company; contingent liabilities and other off-balance sheet risks are included among financial or economic risks.

Endesa has a Risk Map that is updated annually and reported to the Board of Directors as the body responsible for setting the acceptable level of risk. This map, which also integrates the main ESG risks and local risk maps, allows the assessment and monitoring of climate risks to be carried out.

For more information on risk management see the General Risk Management and Control Policy<sup>16</sup> published on the company's website.

Endesa is firmly committed to the fight against climate change and, therefore, decisions are taken at the highest level of management. The Company's strategy has Climate Change as one of its main pillars, and it is the Board of Directors of Endesa S.A. that is responsible for its approval, and the Senior Management that of its development and implementation (see *section 5.1 of the Notes to the consolidated financial statements for the year ended 31 December 2023*).

As proof of this commitment, Endesa presented in November 2023 its 2024-2026 Strategic Plan, which confirms the company's path towards full decarbonisation by 2040, with the abandonment of the gas business as a whole, and in which actions in distribution networks and growth in renewable generation, both pillars of clean electrification, remain key areas of focus. (see *section 4.2 of the Consolidated Management Report*).

The process of identifying risks and opportunities includes those related to climate change: transition risks, related to regulation, new technologies, changes in market and reputation, and those related to potential physical impacts related to climate change.

All organisational levels are involved in the risk identification and assessment process in a coordinated manner, led by the Company's Risk Control System. Each line of business and facility identifies and evaluates the risks and opportunities arising from its activities, also derived from its geographical location. In relation to Climate Change, risks are assessed based on established risk tolerance levels, considering: exposure (climate impacts that can affect facilities), sensitivity (potential effects and their implications for business or facilities), and vulnerability (ability to adapt to overcome the impacts of climate change considering financial, technological and knowledge requirements).

The energy transition and climate change will have an impact on Endesa's activities. As recommended by the TCFD, in order to identify the different types of risks and opportunities and their impact on the company's various businesses, Endesa has defined a reference framework in which two main macro-categories of risks/opportunities are identified: those derived from the performance of the transition scenarios and those derived from the performance of the physical variables. The framework described above is built on a global approach of coherence, which allows analysing and assessing the impact of transition phenomena, e.g. the energy context, and of physical phenomena, e.g. climate change, based on different scenarios, all built in a robust

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<sup>16</sup>[https://www.endesa.com/content/dam/enel-es/endesa-en/home/investors/corporategovernance/corporatepolicies/documents/Pol%C3%ADtica%20gesti%C3%B3n%20y%20control%20de%20riesgos%2021\\_12\\_2020\\_EN.pdf](https://www.endesa.com/content/dam/enel-es/endesa-en/home/investors/corporategovernance/corporatepolicies/documents/Pol%C3%ADtica%20gesti%C3%B3n%20y%20control%20de%20riesgos%2021_12_2020_EN.pdf)



way and through a quantitative and modelling approach, combined with a continuous dialogue both with internal stakeholders and with reputable external references.

In reference to the process of energy transition towards a more sustainable model, characterized by a progressive reduction of carbon dioxide (CO<sub>2</sub>) emissions, risks and opportunities linked to both the regulatory and normative context, as well as the evolution of technological development, electrification and consequent market developments are identified.

Physical hazards are further classified into extreme and chronic events. The former occur as a result of extreme weather conditions, while the latter are related to gradual and structural changes in weather conditions. Extreme events expose Endesa to the potential unavailability, of varying duration, of facilities and infrastructures, repair costs, impact on customers, etc. Chronic changes in weather conditions expose Endesa to other risks and opportunities, such as changes in the production regime of different technologies and variations in demand for electricity.

Endesa has decided to lead and enable the transition, preparing to take advantage of all its opportunities. As described above, the company's strategy is fully focused on energy transition, with more than 90% of the investments foreseen in the 2024-2026 Strategic Plan earmarked to improve one of the Sustainable Development Goals related to climate change, which allows for the adoption of risk mitigation and maximisation of opportunities from the design phase through a positioning that takes into account the phenomena identified in the medium and long term. These strategic decisions are supported by the best operational practices adopted by the company.

Scenario	Category	Time horizon	Risks and Opportunities	Management approach
Transition	Policies and Regulation	From the Short Term (1-3 years) <sup>1</sup>	Risk/Opportunity: Price and CO <sub>2</sub> emissions policies; policies and incentives for the energy transition; review of market design and "permitting" procedures, and resilience regulation.	Endesa minimises exposure to risks through its progressive decarbonisation, and focuses the business on the development of renewables, networks and products and services for customers. Endesa's strategic actions make it possible to mitigate potential risks and take advantage of the opportunities associated with the energy transition. In addition, Endesa participates in public policy-making and regulatory processes and in dialogue platforms with different stakeholders.
	Market	From the Medium Term (2027-2034)	Risk/Opportunity: Changes in the price of commodities and energy; trends in the energy mix; change in consumption of end customers, changes in the competitive situation of the market.	Endesa maximises opportunities thanks to a strategy aimed at the energy transition, a strong development of renewable production, and a clear commitment to the electrification of demand. Considering two alternative transition scenarios, Endesa evaluates the effects of the evolution in terms of commodity prices, the penetration of renewables in the electricity mix, and the electrification of demand.
	Products and Services	From the Medium term (2027-2034)	Risk/Opportunity: Lower /Higher margins and greater investment capacity as a result of the transition, considering the penetration of new technologies for the electrification of direct and indirect demand, electric and	Endesa maximises opportunities thanks to a strong strategic positioning on new business opportunities and services. Furthermore, and considering alternative transition scenarios, Endesa assesses the impact of the different trends in terms of the electrification of demand.
	Technology	From the Medium Term (2027-2034)		Endesa maximises opportunities through strong strategic positioning in new businesses and in electricity infrastructure. Considering alternative transition scenarios, and taking into account the trend in terms of the penetration of technologies for

Scenario	Category	Time horizon	Risks and Opportunities	Management approach
			distributed generation.	electrification, Endesa evaluates the opportunities to scale solutions related to the digitalization and resilience of the electricity grid.
<b>Acute physical</b>	Extreme Events	From the Short Term (1-3 years)	Risk: extreme weather and climate events in terms of intensity, which can cause impacts in terms of asset damage and inoperability.	Endesa adopts the best practices to manage the recovery of activity in the shortest possible time. With regard to risk management for insurance purposes, the Company runs a "Loss Prevention" programme for ownership risks, which is also aimed at assessing the main exposure factors associated with natural events. Changes to the climate expected to occur in the long term will also be considered in the evaluation in the future.
<b>Chronic physical</b>	Market	Medium-Term (2027-2034) and Long Term (2035-2050)	Risk/Opportunity: Greater or lower demand for electricity, influenced by temperature, whose fluctuations can cause impacts on the business. Greater or lesser production from renewable sources, which can be influenced by structural changes in the availability of resources.	Geographic and technological diversity makes it possible to mitigate the impact of variations (positive or negative) in a single variable. To properly manage the impact of meteorological phenomena, meteorological forecasting activities, real-time monitoring and control of facilities, as well as long-term climate scenarios are implemented to assess possible chronic variations in the availability of renewable resources.

The table shows the reference framework for risks and opportunities identified from the evolution of the transition scenarios and the physical variables, which highlights the relationships between the physical scenarios, the transition scenarios and the factors influencing Endesa's business. These effects, related to the scenario phenomena described, materialize in three time horizons:

- Short-medium term (1-3 years), in which sensitivity analyses can be performed based on the Strategic Plan.
- Medium Term (2027-2034), in which it is possible to appreciate the effect of the energy transition and the impact of the National Integrated Energy and Climate Plan (PNIEC).
- Long-term (2035-2050), in which chronic structural changes at the climate level should begin to become visible, in addition to the most obvious effects of the transition.

In order to facilitate the correct identification and management of the risks and opportunities associated with climate change, in 2021 a policy was published at the Enel Group level that outlines common guidelines for assessing the risks and opportunities of climate change. The document, entitled "Climate Change: Risks and Opportunities" defines a shared approach for integrating climate change and the energy transition into Endesa's processes and activities, thus informing industrial and strategic decisions to improve the business' resilience and create sustainable long-term value in accordance with the adaptation and mitigation strategy. The main steps considered in the policy are as follows:

- Prioritization of phenomena and analysis of scenarios: these activities include identifying physical and transition phenomena that are relevant to Endesa, and the subsequent preparation of scenarios to be considered, which are developed through analysis and

processing of data from internal and external sources. For the identified phenomena, functions can be developed that link scenarios (e.g., data on variation in renewable resources) to business operations (e.g., change in expected producibility).

- Impact Assessment: includes all analyses and activities necessary to quantify the effects at operational, economic and financial level, depending on the processes in which they are integrated (e.g. design of new facilities or assessment of operational performance, etc.).
- Operational and strategic actions: information from the above activities is integrated into the processes, informing Endesa's business decisions and activities. Examples of activities and processes that benefit from this are capital allocation, e.g. for the evaluation of investments in existing assets or new projects, the definition of resilience plans, risk management and risk financing activities, and engineering and business development activities.

The main sources of risks and opportunities identified, the best operational practices for managing climate events, and the qualitative and quantitative impact assessments carried out to date will be described below. All these activities are carried out throughout the year through a continuous effort of analysis, evaluation and management of the information processed. The disclosure process of climate change related risks and opportunities will be gradual and incremental from year to year, in line with TCFD recommendations and in line with the evolution of disclosure standards.

#### 4.1.4.1. Chronic and Acute Physical Risks and Opportunities

##### 201-2

With reference to risks and opportunities associated with physical variables, taking the scenarios defined by the Intergovernmental Panel on Climate Change (IPCC) as a reference and based on the reference framework described above, an assessment is performed of the impact on electricity demand and on the different generation technologies for the different categories of physical risks.

##### 4.1.4.1.1. Chronic Physical Changes and Potential Associated Risks and Opportunities

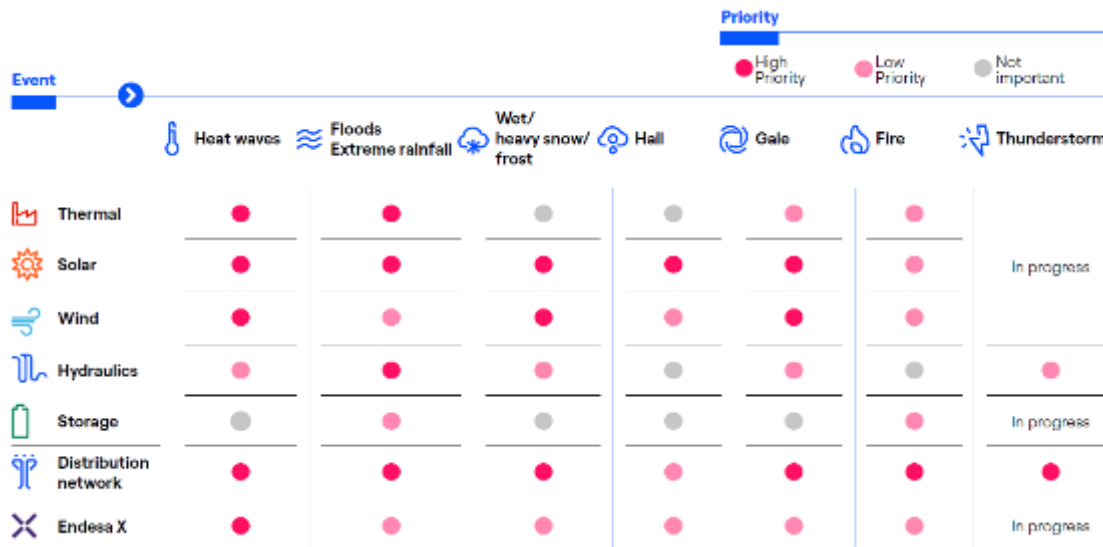
Based on climate scenarios developed together with the International Centre for Theoretical Physics (ICTP) in Trieste, major changes will become apparent between 2030 and 2050. The main impacts resulting from chronic physical changes can be seen in the following variables:

###### VARIABLES

<b>Electricity Demand</b>	Variation of the average temperature level with a potential effect (increase/decrease) on electricity demand, as demand for climate control changes.
<b>Thermoelectric Production</b>	Variation in the average temperature level of water bodies and impact on thermoelectric production as cooling conditions are affected.
<b>Hydroelectric Production</b>	Variation in the average level of rain and snow and of temperatures, with a potential increase and/or reduction of hydroelectric production.
<b>Photovoltaic production</b>	Changes in the average levels of solar radiation, temperature and rainfall with a potential increase and/or reduction in photovoltaic production.
<b>Wind Energy Production</b>	Changes in the average wind level with a potential increase and/or reduction in wind production.

An identification has been made of the impacts related to the most relevant chronic physical changes for each generation technology, and an analysis has been initiated to ascertain the impact on their productiveness, taking into account the facilities individually.

The following table shows the importance of the impact associated with the main chronic physical changes for the different types of Endesa facilities and their corresponding priority in the analysis:



### Analysis of the impact of chronic climate change on renewable generation

To calculate the impact of the chronic climate change effects on production at Endesa facilities, a series of ad-hoc functions were constructed for each renewable technology (wind, solar and hydroelectric) and plant, which connect each change in climate variables (for example, temperature, solar radiation, wind speed, rainfall) to the likely changes in terms of their electrical production.

To calibrate these functions, we started with historical data on meteorological/climate variables<sup>17</sup> and information available internally regarding energy production at generation facilities. In this way, linkage functions were obtained that correspond to the specific characteristics of each plant and renewable technology. This has made it possible to study chronic climate impacts for possible future projections of climate variables (RCP 2.6, 4.5 and 8.5 scenarios).

In addition to chronic phenomena, which entail average structural changes, the volatility inherent to meteorology, which are therefore more short term, must also be studied. For strategic planning, both the information derived from the ranges of variation of the chronic trends projected by the climate scenarios and the historical volatilities of the meteorological data have been considered as inputs, based on the analysis of the variations in electricity production (TWh) in the last ten years.

All meteorological and climate fluctuations can result in adjustments being made in terms of coverage needs for electricity production. In other words, production by generation facilities is the basis for covering the energy needs of customers, although a reduction in renewable production can lead to imbalances in supply that may require the missing energy being purchased on the market to cover the commercial strategy. Conversely, higher renewable production leads to a possible reduction in the purchase of volumes on the market (or possibly more sales).

The first conclusions taken from the scenario analysis demonstrate that chronic structural changes in recent physical variable trends will be evident in the long term. However, to obtain an indicative estimate of potential impacts, and to include the progress of chronic effects, the Strategic Plan can be subject to stress tests on the factors potentially affected by the physical

<sup>17</sup>Historical data from ISPRA (Istituto Superiore per la Protezione e la Ricerca Ambientale) and ERA5 data from ECMWF (European Centre for Medium-Range Weather Forecasts).

scenario, bearing in mind historic meteorological variability and the forecast long-term climate changes. The current Industrial Plan has been constructed from the information contained in the average scenarios of chronic phenomena, in order to also consider the possible effects of trends in climatic variables. The following table shows the results of this analysis:

Scenario	Risk and opportunity category	Description	Time horizon	Description of the impact	Affected activity	Scope	Quantification - Type of Impact	Quantification - Range		
								<€100 min	€100-300 min	>€300 min
Chronic physical	Market	Risk/ Opportunity: Increase or decrease Electricity demand.	Medium/ Long	Electricity demand is also influenced by temperature, fluctuations of which can impact the business. Although no structural changes are expected to materialise in the short or medium term, to assess the sensitivity of the Company's results to possible fluctuations in temperature, a sensitivity analysis is used in relation to energy prices consistent with variations in electricity demand.	Generation & Distribution 	Endesa	EBITDA/year		●	
									●	
Chronic physical	Market	Risk/ Opportunity: Increase or decrease renewable production.	Medium/ Long	Renewable production is also influenced by the availability of the resource, the fluctuations of which can have an impact on the business. Although no structural changes are expected to materialise in the short or medium term, to assess the sensitivity of the Company's results to possible fluctuations in temperature, a sensitivity analysis is used in relation to energy prices consistent with variations in electricity compatible with the different climate scenarios and historic meteorological volatility. Statistically, the deltas considered are at +/- 10% of annual renewable production.	Generation 	Hydroelectric production	EBITDA/year	+10%	●	
								-10%	●	
						Wind production	EBITDA/year	+10%	●	
								-10%	●	
						Solar production	EBITDA/year	+10%	●	
								-10%	●	

● Current policies bullish scenario ● Current policy bearish scenario

#### 4.1.4.1.2 Extreme Events and Associated Potential Risks and Opportunities

The intensity and frequency of extreme events can cause significant unexpected damages to installations and potential consequences arising from service interruptions.

Extreme events (windstorms, floods, heat waves, cold waves, etc.) are characterized by high intensity and moderate frequency of occurrence in the short term, but with an upward trend in long-term climate scenarios.

Accordingly, the risk associated with the occurrence of extreme events is currently being managed in the short term, while the methodology is being extended to longer time horizons (until 2050), in accordance with the climate scenarios selected ("Representative Concentration Pathways" 8.5, 4.5 and 2.6).

The table below reflects the importance of the impact associated with the main extreme climate events for Endesa's facilities and their corresponding priority in the analysis:



### Extreme events risk assessment methodology

Endesa uses an established methodology for analysis of catastrophic risk to quantify the risk from extreme events. This methodology is used in the insurance area and in the reports of the Intergovernmental Panel on Climate Change (IPCC)<sup>18</sup>. The methodology can be applied to all analysable extreme events, such as windstorms, heat waves, floods, among others.

In all types of natural disasters, the following are taken into account:

#### TYPES

<b>Probability of the event (Hazard).</b>	<ul style="list-style-type: none"> <li>➤ The theoretical frequency in a given period of time: The return period.</li> <li>➤ Risk maps are prepared that associate the estimated frequency of the various types of extreme events with each geographical point on the map.</li> </ul>
<b>Vulnerability.</b>	<ul style="list-style-type: none"> <li>➤ This indicates the value lost or affected as a result of the extreme event, in percentage terms. This enables consideration of the impacts on facilities and continuity of production and distribution services.</li> <li>➤ Endesa analyses the vulnerability of its facilities, enabling it to prepare a matrix relating the type of installation to the extreme events that might significantly affect them.</li> </ul>
<b>Exposure.</b>	<ul style="list-style-type: none"> <li>➤ This is the set of economic values in Endesa's portfolio that could be impacted significantly in the event of catastrophic natural events.</li> <li>➤ Specific analyses are also carried out for this parameter for the different production technologies, for the distribution infrastructures and for the services provided to the end customer.</li> </ul>

The combination of these three factors (probability of the event, vulnerability and exposure) provides the key to assessing the seriousness of the risk of extreme events. Endesa differentiates the risk analysis of the climate scenarios over the different time horizons.

<sup>18</sup>L. Wilson, "Industrial Safety and Risk Management." University of Alberta Press.

T. Bernold, "Industrial Risk Management". Elsevier Science Ltd.

Kumamoto, H. and Henley, E. J., 1996, Probabilistic Risk Assessment and Management for Engineers and Scientists, IEEE Press, ISBN 0-7803100-47

Nasim Uddin, Alfredo H.S. Ang. (eds.), 2012, Quantitative Risk Assessment (QRA) for natural hazards, American Society of Civil Engineers CDRM Monograph no. 5.

UNISDR, 2011. Global Assessment Report on Disaster Risk Reduction: Revealing Risk, Redefining Development. United Nations International Strategy for Disaster Reduction. Geneva, Switzerland.

Managing the Risks of Extreme Events and Disasters to Advance Climate Change Adaptation - A Special Report of Working Groups I-II of the Intergovernmental Panel on Climate Change (IPCC). Cambridge University Press, Cambridge, UK, and New York, NY, USA.

The following table summarises the impact assessment of extreme events:

Time horizon	Probability of the Event	Vulnerability	Exposure
Short Term (1-3 years).	Probability maps based on historical series and meteorological models.	Vulnerability is related to the type of event and the technology, and is largely independent of the time horizon.	Endesa's values in the short term.
Long Term (until 2050 and/or 2100).	Probability maps and specific studies for the Intergovernmental Panel on Climate Change (IPCC)'s "Representative Concentration Pathway" climate scenarios.		Evolution of Endesa's values in the long term.

### Managing the risk of short-term extreme events

In the short term (1-3 years), Endesa, in addition to the above in terms of risk assessment and quantification, implements actions aimed at reducing the impacts that the business may suffer as a result of extreme events of a catastrophic nature. Two types of actions are performed: the definition of effective insurance coverage and adaptation activities as regards climate change, with a view to preventing the damage that could be caused by extreme events. The general characteristics of these actions are set out below and, in the case of adaptation activities for the prevention and mitigation of damage, specific reference will be made to the actions in the company's different business lines.

#### Insurance at Endesa

Enel annually defines insurance coverage programs for its different businesses, which cover all of the Group's subsidiaries, including Endesa. The two main programs, in terms of coverage and volume, are as follows:

##### PROGRAMMES

Property Damage and Business Interruption Insurance Program	➤	To cover material damage to assets and the consequent interruption of activity. In addition to the cost of reconstructing the asset (or parts thereof), economic losses caused by lack of service are also remunerated, within the limits and conditions defined in the policies, in terms of production and/or distribution of energy.
General & Environmental Liability Insurance Programme.	➤	It covers indirect damages to third parties as a result of the impact of extreme events on the Group's assets and businesses.

The conditions of the policies are defined based on an adequate assessment of the risks, including extreme events associated with climate change. As has been seen from past events, the impact on Endesa's activity of extreme events may be relevant, although Endesa has demonstrated an absolute capacity for recovery thanks to the extensive limits of insurance coverage, which are also a result of a solid reinsurance structure, with respect to the Group's insurer, Enel Insurance N.V.

In any case, the actions carried out by Endesa in terms of preventive maintenance of generation and distribution facilities are also important and necessary. These actions make it possible, on the one hand, to mitigate the impact as a result of extreme events, and on the other, to optimise the costs of global insurance programmes, including the risk related to catastrophic natural phenomena.

#### 4.1.4.2. Adaptation to Climate Change




Endesa applies climate change adaptation solutions according to a global approach that assesses potential impacts in order to properly calibrate the measures needed to improve the capacity to respond to adverse events (*Response Management*) and increase the resilience of the business (*Resiliency Measures*), thus reducing the risk of future negative impacts of adverse

events. In addition, the skills and tools developed to analyse the effects of climate change will be used to create value through the design of new value-added solutions, aimed at facilitating the adaptation of the whole society.

Adaptation solutions can include both the establishment of procedures and the implementation of best practices in the short term, as well as long-term decisions.

For new investments, it is possible to act from the design and construction phase to reduce the impact of climate risks, for example, taking Climate Scenarios and the vulnerability analysis of facilities to specific phenomena into consideration as part of the project phase to design resilient solutions.

The following table shows an overview that represents the type of actions that Endesa implements to correctly manage adverse events and increase resilience to meteorological phenomena, and their evolution due to climate change. Below are details of some of the activities listed:

<b>Business</b>	<b>Resiliency Measures: Increased asset resilience</b>	<b>Response Management: Management of adverse events</b>
<b>Generation</b> 	<b>Existing Facilities:</b> 1 - Hydraulic technology: guidelines for risk assessment and design. 2 - "Feedback processes based on lessons learned" from operation and maintenance to the construction and development of new facilities. <b>New Facilities:</b> In addition to what is carried out for existing assets: 1 - Climate Risk Assessment (CCRA) included in the environmental impact documents (pilot).	<b>Existing Facilities:</b> 1 - Incident and Critical Event Management 2 - Specific emergency management plans and procedures. 3 - Specific tools for forecasting imminent extreme events.
<b>Distribution</b> 	<b>Existing Facilities:</b> 1 - Guidelines for definition of the Network Resilience Improvement Plan. 2 - Strategies and guidelines on risk prevention in distribution networks.	<b>Existing Facilities:</b> 1 - Strategies and guidelines on risk prevention, preparedness, response and recovery actions in the distribution network 2 - Global guidelines for the management of emergencies and critical events 3-Risk prevention measures and preparedness in the event of fires in electrical installations (lines, transformers, etc.).
<b>Supply</b> 	<b>Existing Facilities:</b> 1 - Preliminary analysis of the effects of climate change in the medium and long term.	<b>Existing Facilities:</b> 1 - Management of critical events.

A project has been carried out to define a catalogue of practical intervention actions aimed at improving the resilience of assets, and their capacity to respond to the possible effects of climate change. This catalogue includes specific actions for each of the relevant events listed in the impact matrices included in the previous section, and differentiated according to the different technologies. The catalogue of possible adaptation actions is maintained and updated periodically, and includes more than 100 possible actions, among which the following stand out:

- Weather warning (which includes the use of different tools to monitor and manage both assets and natural resources).
- Automation (e.g. in medium-voltage networks to reduce the impact of failures on customers).
- Structural reinforcement of the entire asset base, with special attention to critical components.
- Continuous training of staff.
- Maintenance work for plant life and care for the surroundings of facilities.



The catalogue is an important element that brings together the possible adaptation options, from which it is possible to make estimates of the cost and risk avoided by carrying them out in a specific installation. This information makes it possible to choose, based on the cost-benefit analysis, the most appropriate action based on the expected risks according to the scenario in each specific situation.

Endesa develops actions for the effective management of extreme events and chronic physical changes in all its business lines. The following sections detail the areas of action, good management practices and policies adopted in each business.

#### 4.1.4.2.1. Generation

##### Actions

In the Generation business line, the following actions stand out in relation to the management of risks associated with Climate Change:

###### Main actions

Improvement of cooling water management systems to compensate for possible reductions in river flow.
Actions ("Fogging Systems") to improve airflow and compensate for power reduction as a consequence of increased ambient temperature in combined cycle generation facilities.
Installation of drainage pumps, elevation of filling gradients, regular cleaning of canals and other actions to eliminate risks of landslides as a result of torrential rains and floods.
Periodic re-evaluation of torrential rainfall and flood scenarios for hydropower installations. Scenarios are managed through mitigation actions and facility interventions.

##### Good Practices

In the Generation business line, a series of good practices have been adopted for the proper management of adverse weather phenomena:

###### Good Practices

Weather forecasts.	➤	Monitoring of weather parameters to monitor the availability of renewable resources and the occurrence of extreme events, with alert systems that guarantee the protection of people and facilities.
Digital "Geographic Information System" (GIS).	➤	Hydrological simulations, surveying (including with drones) and monitoring of possible vulnerabilities through digital "Geographic Information Systems" (GIS) and data obtained from satellites.
Supervision of Dams and Hydraulic Civil Works.	➤	Advanced monitoring of more than 100,000 parameters taken in dams and hydraulic civil works.
Facilities Supervision.	➤	Remote real-time monitoring of electrical production facilities.
Safe rooms.	➤	Safe rooms in facilities that are located in areas exposed to tornadoes and hurricanes.
Hydrological and Hydraulic Studies.	➤	Adoption of specific guidelines for the execution of hydrological and hydraulic studies in the initial phases of development, with the aim of assessing risks both in the area of the facility and in the surrounding areas.
Monitoring of the effects of climate parameters on project design.	➤	Monitoring of changes in climate parameters because of their potential effects on project design, such as assessment of the rainfall patterns for the design of drainage systems for photovoltaic facilities.
Estimation of Extreme Wind Speeds.	➤	Estimation of extreme wind speeds using up-to-date databases containing historical records of gales, in order to choose the most suitable wind-turbine technology for the site.

In addition, in order to act immediately in the event of extreme events, Endesa adopts specific procedures for emergency management with real-time communication protocols, planning and management of all activities to resume activity in safe conditions in the shortest possible time, and predefined lists for damage assessment. One solution implemented for minimising the impact of weather events is the "Lesson Learned Feedback" process, through which information is

transferred from the technical operations and maintenance units to the units that design new projects.

### Analysis of future climate impacts to identify adaptation needs

An analysis of risks associated with acute and chronic climatic phenomena is being undertaken based on the mapping of relevant climatic events, with a view to estimating the impact they may have in the medium-long term on generation plants. The analysis of acute phenomena has been carried out in two phases:

#### Phases

**Preliminary analysis of the hazard and exposure** of all hydro, wind and solar power plants in order to group them according to their degree of vulnerability, and to be able to identify the plants with the highest risk.

**Detailed analysis** of the plants identified as being at higher risk, with a view to defining future potential adaptation actions, as well as measures to prevent production losses.

The detailed analysis has been undertaken in order to understand the potential increase in the frequency and intensity of extreme events and identify the facilities exposed. This analysis has shown that, for the entire set of meteorological phenomena considered, few facilities are exposed to high risk in the long term. Meteorological phenomena analysed include:

#### Meteorological Phenomena

Torrential Rains	<ul style="list-style-type: none"> <li>➤ An analysis of a significant number of plants (some photovoltaic plants) has been performed, as a result of which, it was concluded that there is a high correlation between the geomorphology of the location and the impact of the meteorological phenomenon on the facility, confirming the need to carry out a specific analysis for each site, especially for facilities most exposed to the phenomenon.</li> <li>➤ More detailed analyses have identified possible structural adaptation measures that are useful for reducing the level of flood risk to an acceptable threshold, and whose implementation will require a cost-benefit analysis. These structural adaptation interventions would include, for example, the construction of mitigation hydraulic works (mainly embankments, reprofiling of channels, adaptation of drainage channels, expansion and lamination ponds) and the elevation of components at risk by earthworks and increasing the length of support structures in the case of photovoltaic panels.</li> </ul>
Heat Waves	<ul style="list-style-type: none"> <li>➤ The impact of heat waves on photovoltaic installations has been analysed, a critical event characterised by the persistence of high temperatures for several days in the absence of rainfall.</li> <li>➤ Despite the increase in the frequency and intensity of this climatic phenomenon, the conclusion has been that there are no significant impacts on the installation, but only a reduction in the performance of the inverter at certain times of the year and in specific locations.</li> </ul>
Windstorms	<ul style="list-style-type: none"> <li>➤ In relation to the risk of wind storms, although the scenarios show an increase in the frequency of this phenomenon, the impact analysis shows there is high resilience by design, especially in the wind farms subject to analysis.</li> <li>➤ The implementation of any adaptation measures would require specific assessments of the affected sites based on a cost-benefit analysis, considering the limited impact of the phenomenon.</li> </ul>
Fire	<ul style="list-style-type: none"> <li>➤ In relation to the risk of fires, a study has been carried out to identify the areas of greatest risk, and with the aim of preventing and/or reducing intervention times, some possible adaptation measures have been identified to be adopted in the design and/or operation phase of the facilities, such as the elimination of vegetation around the project area, the implementation of firebreaks, and further coordination with local authorities on how to respond in the event of fires.</li> </ul>

The methodologies developed will be refined in order to apply them also to the design and development of new facilities.

These analyses will make it possible to quantify the need for adaptation in terms of risk prevention (for example, the adoption of an adaptive design), and in terms of event management and residual risk management.

#### 4.1.4.2.2. Distribution

For the Distribution Business Line, a specific policy (Climate Change Risk Assessment) has been prepared with a view to establishing the general criteria, methodology and requirements for the identification, analysis and assessment of risks inherent to climate change, both in relation to the facilities and the activities undertaken, to monitor the risk and actions to be implemented to mitigate their impact.

Endesa has adopted a "4R" approach to managing extreme climate events. This defines the measures to be taken, both in preparation for an emergency and in the subsequent commissioning phase after damage to the facilities in an extreme event.

This management is articulated through four phases of action:

Risk prevention	➤ It includes actions to reduce the probability of losing network elements as a result of an event, and/or to minimise its impact, and includes actions aimed at increasing the robustness of infrastructures, as well as maintenance actions. The choice of technical solutions is made through a catalogue that allows you to choose the solution to be implemented depending on the climatic event and the geographical location of the installation
Readiness	➤ It includes all the actions that aim to improve the immediacy with which a potentially critical event is identified, and to ensure coordination with Civil Protection and the Local Administration, as well as to organize resources once the failure in the service has occurred.
Response	➤ The assessment phase of the operational capacity to deal with an emergency once the extreme event occurs, considering both the ability to mobilise operational resources on the ground, and the possibility of performing remote-controlled feedback manoeuvres over back-up connections.
Recovery "Recovery"	➤ The final phase, which aims to re-establish the network service under normal operating conditions as quickly as possible when extreme events cause service interruptions despite all the preventive measures taken.

The Distribution business has adopted several specific policies and actions to integrate the different aspects and risks related to Climate Change:

Policies and Actions	
Guidelines for Emergency Preparedness, Response and Recovery Actions	<ul style="list-style-type: none"> <li>➤ It includes guidelines for the last three phases of the "4R" management <i>approach</i>.</li> <li>➤ It includes guidance for improving preparedness strategies, mitigating the impact of total service outages, and bringing the network back into service, for as many customers as possible and in the shortest possible time.</li> </ul>
Guidelines for the Network Resilience Improvement Plan	<ul style="list-style-type: none"> <li>➤ The aim is to identify the extraordinary climate events that can cause the highest impact on the network, assessing the indicators in their current state, as well as the improvement that these indicators would have experienced as a result of actions on the network, all with a view to establishing an order of priority for interventions.</li> <li>➤ These guidelines are based on the first two phases of the "4R" management <i>approach</i>. It is currently being studied in order to prepare an ad hoc investment planning process, capable of increasing the resilience of the networks to extreme events, taking into account the different territorial specificities.</li> </ul>
Risk Prevention and Preparedness Measures in the event of Forest Fires affecting Electrical Installations	<ul style="list-style-type: none"> <li>➤ An integrated approach to emergency management applied to fires in wooded areas, whether caused by the network or external causes.</li> <li>➤ The document provides guidelines for identifying facilities at risk, defining specific prevention measures (e.g. evaluation of specific maintenance plans) and, when fire occurs, for managing the emergency optimally to limit its impact and restore service as soon as possible.</li> </ul>
Support Actions	<ul style="list-style-type: none"> <li>➤ Implementation of weather forecasting systems, monitoring of the network's status and assessment of the impact of extreme events on the network, preparation of operational plans and organisation of drills.</li> <li>➤ The agreements reached to mobilise extraordinary resources (internal and contractor) to deal with emergencies are also noteworthy.</li> </ul>

Thanks to the knowledge acquired in the field, a significant contribution is being made to the preparation of the first publications in the sector on the importance and possible actions regarding resilience and adaptation to climate change, such as the ad-hoc report published by Eurelectric-EPRI in December 2022, entitled "The Coming Storm: Building electricity resilience to extreme weather".

Also, with a view to continuous improvement, exploration activities are being undertaken, which involve contacting directly start-ups, industry experts and performing challenges proposed by the innovation area, with a view to identifying innovative technological solutions to support climate impact analyses and adaptation measures aimed at increasing network resilience.

### Analysis of future climate impacts to identify adaptation needs

Based on the mapping of relevant phenomena at a global level, the trend of the most critical phenomena is monitored in order to estimate the future impact of climate change on the grid in the medium and long term. To do this, it is first necessary to carry out a preliminary assessment of past extreme weather events and their impact on the network (also in terms of associated failures). In Spain, the most critical acute phenomena are forest fires, heavy snowfall, frost, windstorms, and floods and extreme rainfall. As far as thunderstorms are concerned, the phenomenon has been classified as "medium risk". This classification makes it possible to identify the priority analyses to determine possible adaptation measures. On the basis of these assessments, detailed analyses of the various phenomena have been carried out, of which some examples are presented below:

Extreme Events	Impact on the Network in the Short and Long Term
Fire	<ul style="list-style-type: none"> <li>➤ The guidelines regarding fire risk prevention are being updated, applying an index that assesses the fire risk of areas, based on their orographic and environmental characteristics (Fire Weather Index), as a support instrument to project scenarios to 2050.</li> <li>➤ A study has been conducted to identify the areas at the greatest risk of forest fires, identifying the networks and environmental areas in which they are located, so that the necessary action can be implemented by taking a risk-prevention approach to fire.</li> </ul>
Explosive cyclogenesis	<ul style="list-style-type: none"> <li>➤ An analysis has been carried out to obtain more details on explosive cyclogenesis (a combination of wind and torrential rain), projecting the events to 2050, and assessing the possible future impacts on the facilities. The initial results indicate a trend that is for the most part aligned with the historical trend, with the exception of the Catalan coast, where a possible intensification of the events is foreseen.</li> </ul>

#### 4.1.4.2.3. Commercialization

The Endesa X Business Line, which markets value-added products and services to customers, with a view to confronting extreme climate phenomena, has continued its work of estimating the potential impacts of physical phenomena to define the subsequent actions for adapting to climate change, by identifying risks and opportunities for priority assets. For owned assets, which represent a minority, an analysis of the impacts has been carried out; while for B2B and B2G customer facilities, potential risks and potential resiliency solutions are being assessed.

The work on adaptatin focused on the definition of the methodology to assess the vulnerability of Endesa X's assets by extending the studies carried out on generation and distribution assets for the assessment and management of acute climatic events for photovoltaic installations (distributed energy), storage and public lighting.

In the case of photovoltaic facilities, a preliminary climate risk assessment was carried out on the assets identified as priority in relation to relevant acute phenomena such as extreme wind, torrential rains and floods and fire risk. To date, the work carried out, taking into account both the results obtained in the preliminary screening and the more detailed analyses, does not reveal any major problems related to climate change. The analysis will also be extended to sites where new construction is planned. In terms of storage, the work performed to date does not reveal any

critical issues related to acute climatic phenomena. Finally, for street lighting, acute phenomena relevant to this type of installation are being studied.

#### **Introduction of nature-based solutions on Endesa X Resilience Solutions**

Endesa X analyses the effects of climate change with a philosophy inspired by and supported by nature. Endesa X is committed to promoting an integrated approach between the services and products offered to customers and Nature-Based Solutions (NBS), in other words, the series of techniques and designs that use nature and the processes inspired by nature to provide integrated services that increase the resilience of cities to climate change, mitigating the microclimate, air quality and, in general, improving the quality of life. To promote NBS, Endesa X has developed the "NBS Biodiversity Manual" and the "Urban Biodiversity Scoring Model" to integrate NBS into business solutions and assess their generation of positive impacts on the climate, natural resources and the human experience.

The introduction of NBS in Endesa X's product portfolio has been carried out through a wide set of scientific indicators recommended to measure positive impacts, and to accompany customers in the adoption of these internationally recognised practices as valuable tools for adaptation to acute climate phenomena. In practice, NBS can be integrated with Endesa X's technological solutions to provide ecosystem services to support nature. These solutions also contribute to climate change adaptation and mitigation, as well as improving the quality of life in urban centres.

##### *4.1.4.2.4. Inclusion of the Effects of Climate Change in the Evaluation of New Projects*

Many activities related to the assessment and execution of new projects can benefit from both general and site-specific climate analyses, which are now being integrated into those already considered as part of the assessment of new projects. For example:

- Preliminary studies: during this phase, climate data can offer a preliminary screening, by analysing specific climate phenomena, such as those shown previously during the analysis of physical scenarios, and indicators such as the Climate Risk Index. This data provides a preliminary measurement of the most relevant phenomena in the area, including those identified as being of interest for each technology.
- Estimated expected producibility: climate scenarios will be progressively integrated to allow an assessment of how climate change will modify the availability of the renewable resource at the specific site. The preliminary production analysis describes the approach applied to date at certain pilot sites that will later be expanded to the entire generation portfolio.
- Environmental Impact Analysis: The climate change risk assessment is now being integrated into the series of documentation prepared, which includes the representation of the main physical phenomena and their expected change in the area.
- Resilient Design: as described above, among the climate change adaptation activities, those aimed at building resilient assets by design are of great importance. Work is underway to progressively consider analyses based on climate data, for example, the increase in the frequency and intensity of acute events. These will complement the analyses already carried out based on historical data, in order to increase the resilience of future assets, including adaptation actions that may be required throughout the life of the project.

##### *4.1.4.2.5 Endesa's Activities to Expand Knowledge in relation to Adaptation to Climate Change*

The National Plan for Adaptation to Climate Change (PNACC) 2021-2030, is the basic planning instrument to promote coordinated action against the effects of Climate Change in Spain. Its main objective is to avoid or reduce the present and future damage arising from climate change and to build a more resilient economy and society, incorporating new international commitments and contemplating the latest knowledge about the risks arising from climate change, drawing on experience from the development of the previous 2013-2020 National Climate Change Adaptation Plan (PNACC).

Taking the same approach and complementing its analysis of the physical risks associated with climate change and the management of such risks, Endesa has been working for over a decade to: enhance its knowledge of climate change and minimise the vulnerability of its facilities to it; share and exchange impressions of the results obtained; and foster ongoing learning and resilience to climate conditions, enabling it to optimise the management of its businesses.

Endesa's most significant activities in the area to date are summarised below:

**Main Actions**

➤	Project to analyse the vulnerability of Endesa's facilities to climate change. Selected by the Spanish Office of Climate Change (OECC) of the Ministry of Ecological Transition and Demographic Challenge (MITECO) as a model of the Energy Sector for the ADAPTA Initiative.
➤	HIDSOS IV Project: Sustainability of water resources under global change.
➤	Endesa Reservoirs and Climate Change Project.
➤	Adaptation to Climate Change in Endesa's Distribution Business.
➤	Participation in national/international projects/initiatives: RESCCUE, ANYWHERE and COPERNICUS.
➤	Monitoring and participation in the United Nations international climate change summits (COPs).
➤	Technical committee for adaptation to climate change and working group to manage climate risks and their financial impacts, CONAMA (National Environment Congress).

**4.1.4.3. Transition Risks and Opportunities**

In relation to the risks and opportunities tied to transition variables, analysing the different reference scenarios combined with the items that form the risk identification process (for example, the competitive context, the long-term vision of the industry, the materiality analysis, the technological performance, etc.), promoters of potential risks and opportunities can be identified, granting priority to the most significant phenomena.

The main risks and opportunities of variables related to the energy transition are outlined below.

	Description	Risks	Opportunities
	➤ <b>Carbon emissions cap and trade:</b> regulation that introduces stricter emission limits, both through legal compliance and through market mechanisms	➤ Lack of a coordinated approach among the regulators and actors involved, limiting the efficiency of the regulatory instruments, with consequences on electrification and decarbonisation in the sectors, compared to Endesa's strategy, which is sharply focussed on the Energy Transition.	➤ Regulatory mechanisms both as a control and order type and as market mechanisms that strengthen the carbon dioxide (CO <sub>2</sub> ) price signs, encouraging investment in carbon-free technology.
Policy and regulation	➤ <b>Policies and regulation to accelerate energy transition and security:</b> introduction of policies, regulatory frameworks or market rules to encourage the Energy Transition, encouraging the transition towards an energy system based on the use of renewable energy sources, greater electrification of demand, energy efficiency, flexibility of the electricity system and	➤ The slow progress with processes to obtain administrative authorisations and ineffective market design and regulatory framework can adversely affect the profitability of facilities and limit growth opportunities.	➤ Creation of a more favourable framework for investments in renewable energies, thanks also to the development of long-term markets (e.g., PPAs), electricity technologies and distribution networks, in line with Endesa's strategy. The 2021–2030 National Energy and Climate Plan (NECP) (currently under review) establishes an ambitious target for the penetration of renewables, specifically, it foresees that by 2030, 42% of energy consumption will be of renewable origin and 74% of total electricity generation will be of renewable origin,

	Description	Risks	Opportunities
	enhancement of infrastructures.		consistent with the transition to a 100% renewable electricity sector by 2050, complemented by growing additional storage power.
	<ul style="list-style-type: none"> <li>➤ <b>Regulation on resilience and adaptation:</b> improvement of standards, or introduction of mechanisms to regulate investment in resilience, in a context of evolving Climate Change.</li> </ul>	<ul style="list-style-type: none"> <li>➤ Impact on reputation derived from damage and service restoration times in the event of extreme events with a greater impact than expected. Possible penalties due to a failure to respond adequately in terms of service restoration following an extreme event.</li> </ul>	<ul style="list-style-type: none"> <li>➤ Profits from allocation of investment to reduce risks of impact on quality and service continuity for customers and damage to facilities.</li> </ul>
	<ul style="list-style-type: none"> <li>➤ <b>Financial policies to encourage Energy Transition:</b> incentives for energy transition through appropriate policies and financial instruments, necessary to support a credible and stable long-term investment framework and positioning of the regulator. Introduction of rules and/or public and private financial instruments (such as, funds, mechanisms, taxonomy, benchmark), focused on the integration of sustainability in financial markets and in public financing instruments.</li> </ul>	<ul style="list-style-type: none"> <li>➤ Insufficient actions and instruments to allow an acceleration of the Energy Transition, uncertainty or slowdown in the introduction of new instruments and rules due to the deterioration of public financing conditions.</li> </ul>	<ul style="list-style-type: none"> <li>➤ Creation of new markets and sustainable financing products, in line with the investment framework, facilitating increased public resources for decarbonisation, access to financial resources in accordance with the energy transition objectives, and the resulting impact on financing costs and availability of aid for the transition.</li> </ul>
Market	<ul style="list-style-type: none"> <li>➤ <b>Dynamics of the price of raw materials:</b> changes in market dynamics, such as those related to the volatility of commodity prices can impact the approach employed by traders, regulators and customers.</li> </ul>	<ul style="list-style-type: none"> <li>➤ Energy transition disordered by the effect of the introduction of measures that potentially create distortion.</li> </ul>	<ul style="list-style-type: none"> <li>➤ Accelerating clean electrification as a solution to reduce energy costs and exposure to commodity price volatility. Increased willingness on the part of customers to switch from conventional technologies that use fossil fuels to more efficient electric technologies</li> </ul>
	<ul style="list-style-type: none"> <li>➤ <b>Market dynamics:</b> customer willingness to use more sustainable technologies, thanks to greater knowledge of the risks associated with Climate Change and greater regulatory pressure.</li> </ul>		<ul style="list-style-type: none"> <li>➤ Positive impact associated with the increase in demand for electricity, a bigger gap for renewable energy thanks to greater demand for long-term contracts (PPAs).</li> </ul>
Technology	<ul style="list-style-type: none"> <li>➤ <b>Penetration of technologies that enable the transition:</b> progressive penetration of new technologies such</li> </ul>	<ul style="list-style-type: none"> <li>➤ The slowdown and interruption of raw materials supply and semi-conductors, may cause delays in the procurement</li> </ul>	<ul style="list-style-type: none"> <li>➤ Investments in the development of technological solutions that facilitate the flexibility of the electricity system. More space for</li> </ul>

	Description	Risks	Opportunities
	as electric vehicles, storage, active response to demand and electrolysers for green hydrogen production; large-scale adoption of digital technologies to transform platform-based operating and business models.	and/or increase in costs, which may slow down the penetration of renewable energies, storage and electric vehicles.	renewables thanks to the production of green hydrogen. ➤ Electricity grids play a leading role in the 2021-2030 National Integrated Energy and Climate Plan (NECP) (currently under review), as facilitators for integrating new renewable capacity into the system, while fostering flexibility and demand management. The 2021-2030 National Integrated Energy and Climate Plan allocates 24% of its estimated investment to their development, a total of Euro 58,579 million.
Products and services	➤ <b>Electrification of residential consumption and industrial processes:</b> the progressive electrification of end uses increases the penetration of products capable of guaranteeing lower costs, a lower impact in terms of emissions and greater efficiency in the residential and industrial sectors (for example, heat pumps).	➤ Increased competition in this market segment. Highly dependent on an adequate development of the electricity grid, necessary for guaranteeing growing demand as well as the continuity of the service.	➤ Increased electricity demand in a context of decreasing energy demand, thanks to the increased efficiency of the electricity vector. Increased opportunities to offer value-added services to customers that will allow them to reduce energy expenditure and carbon footprint. Increased investments in the electricity grid to enable electrification of demand.
	➤ <b>Electric mobility:</b> use of modes of transport that are more efficient in terms of climate change, particularly with regard to the development of electric mobility and recharging infrastructure, and the electrification of industrial consumption.	➤ Entry of new players into the market.	➤ Positive effects of increased demand for electricity and higher margins related to the penetration of electric transport and associated services.

In general terms, and in the area of products and services, it is worth highlighting the opportunity offered by the 2021-2030 National Integrated Energy and Climate Plan (PNIEC), currently under review, which is implemented in three ways. One of these is the electrification of the economy, which will help to meet, among others, the target set for 2030 of reaching a 42% share of renewable energies in total final energy consumption, as well as achieving a 39% reduction in diffuse greenhouse gas emissions in the same year compared to 2005.

More specifically, and in parallel to the development of renewable energies, the electrification of demand must include a strong development of electric mobility and the use of electricity in residential heating. The National Integrated Energy and Climate Plan (PNIEC) foresees that the presence of renewables in the mobility-transport sector will be a driving force to promote its decarbonisation, expecting to reach 5 million electric vehicles by 2030. Likewise, the National Integrated Energy and Climate Plan (PNIEC) incorporates ambitious plans for the renovation of residential equipment.

When PNIEC 2023-2030 is approved, which is still under review, it will guide Endesa's actions for 2030 in terms of reducing greenhouse gas emissions, energy efficiency measures and generating renewable energies.



#### 4.1.4.3.1. Impact of Transition Risks and Opportunities

Endesa has already implemented strategic actions aimed at mitigating potential risks and taking advantage of opportunities related to transition variables. The strategy aimed at total decarbonisation and the Energy Transition provides Endesa with resilience to the risks arising from the implementation of more ambitious policies in terms of emission reductions, and maximises opportunities for the development of renewable generation, infrastructures and enabling technologies.

To quantify the risks and opportunities arising from the Energy Transition in the long term, the Transition Scenarios described in section 5.3 of the *Consolidated Management Report* have been taken into account. The effects of the "Slower Transition" and "Accelerated Transition" scenarios on the variables that could have the greatest impact on the business have been identified below, in particular electricity demand, influenced by the dynamics of the electrification of demand and therefore the penetration of electricity technologies, and the energy generation mix.

The chosen "Reference" Scenario considers a sustained growth of renewable energies in the coming years, especially solar energy, and a more moderate performance in the development of green hydrogen than foreseen in the PNIEC. The dynamics related to the Energy Transition could enable growth opportunities for Endesa, dynamics that should compensate for the gradual reduction in the price of electricity in the wholesale markets, derived from a greater presence of renewables in the energy mix. A revision of the market design, with the aim of favouring long-term remuneration, would also favour opportunities for Endesa.

"Reference" scenario	"Slower Transition" scenario	"Accelerated Transition" scenario
<ul style="list-style-type: none"> <li>➤ There is a downward trend in emissions in line with the European "Fit for 55" package, thanks to greater electrification of demand, supported by a growing contribution of renewables in the <i>electricity generation mix</i>.</li> <li>➤ Given the level of ambition defined in the National Integrated Energy and Climate Plan (PNIEC), the "Reference" scenario does not include any substantial additional increases to the penetration of renewable energies.</li> </ul>	<ul style="list-style-type: none"> <li>➤ In reference to the electrification of demand, the Slow Transition scenario foresees lower rates of penetration of more efficient electricity technologies, particularly electric vehicles, resulting in lower electricity demand in comparison to the "Reference" scenario. This is expected to have limited impact on the retail electricity market and associated products. At the same time, lower electricity demand leads to less space for renewable capacity development, with an impact on the generation business, partially offset by the increase in electricity prices.</li> <li>➤ The scenario envisages a lower level of ambition in the fight against climate change, which translates into less development of renewables and lower penetration of electrification at all levels.</li> </ul>	<ul style="list-style-type: none"> <li>➤ It estimates a faster reduction in the costs of green hydrogen production technologies. This translates into a greater penetration of this energy vector, to the detriment of blue and grey hydrogen (hydrogen produced from gas, respectively with and without the use of CCS technologies), with the consequent additive effect on national electricity demand and on renewable installations compared to the "Reference" scenario.</li> </ul>

All scenarios, but to a greater extent, the "Reference" and "Accelerated Transition" scenarios will involve a considerable increase in the complexity of electricity grid management. A significant increase is expected in distributed generation and other resources, such as storage systems, with increased penetration of electric mobility and its associated charging infrastructures, with an increasing pace of electrification of demand and the appearance of new players with new forms

of consumption. This context will entail a decentralization of consumption/injection points, an increase in electricity demand and the average power required, a strong variability of energy flows, requiring dynamic and flexible management of the grid. Endesa expects that additional investments will be needed to ensure connections and adequate levels of quality and resilience, encouraging the adoption of innovative operating models.

### Potential Economic Impact

In terms of the economic impact of the change in transition scenarios, the impact in terms of gross operating income (EBITDA)<sup>19</sup> that the "Slower Transition" and "Accelerated Transition" would have on 2030 earnings has been analysed compared to the benchmark Reference scenario.

The scenario	Risk and opportunity category	Description	Time horizon	Description of the impact	Affected Activity	Scope	Quantification - Type of impact	Quantification - Range		
								<€100 min	€100-300 min	>€300 min
Transition	Market	<b>Risk/Opportunity:</b> More/less space for investments in new renewable capacity with the consequent increase/reduction in the wholesale electricity price corresponding to a different level of renewable penetration.	Medium*	Two alternative transition scenarios have been considered, in which Endesa has assessed the effects of the increased use of renewables on the benchmark wholesale electricity price and on additional capacity.	Generation Retailing	Spain	EBITDA/year	●	●	
Transition	Market	<b>Risk/Opportunity:</b> Higher/lower margins of the effect of the transition in terms of electrification of consumption.	Medium*	Considering two alternative transition scenarios, Endesa has evaluated the effects of a change in average consumption as a result of higher/lower electrification.	Retailing	Spain	EBITDA/year	●	●	
Transition	Products and services	<b>Risk/Opportunity:</b> Higher/smaller margins and greater/lower space for investment as a result of the impact of the transition in terms of the penetration of new electricity technologies and electric transport.	Medium*	Considering two alternative transition scenarios, Endesa has evaluated the effects of the transport electrification paths and the electrification of domestic consumption.	Retailing	Spain	EBITDA/year	●	●	

● High value (Accelerated Transition vs Reference) ● Low value (Slower Transition vs Reference)

\* 2030 forecast

<sup>19</sup> See section 7: Alternative Performance Measures (APMs) of the Consolidated Management Report 2023.

## 4.1.5. Metrics and Objectives

### 4.1.5.1. Carbon Footprint

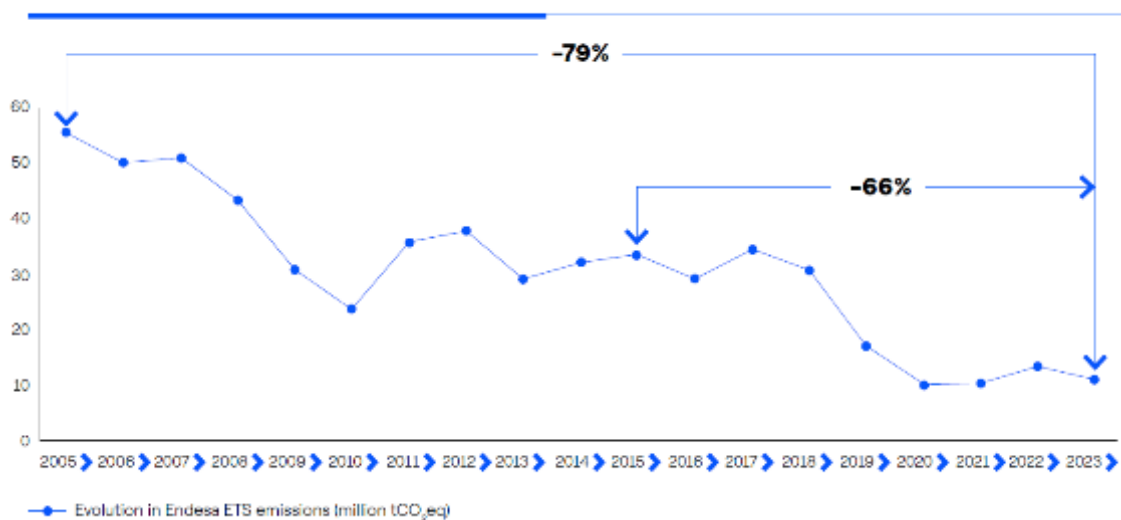
#### 3-3 Emissions Management Approach

The year 2023 has been an extremely hot and very dry year. This is the second warmest year since the series began in 1961, only behind 2022. These temperature records give us a clear message: we are getting closer to exceeding the 1.5°C threshold set in the 2015 Paris Agreement and immediate action is needed.

In its 2023 report, the IPCC concluded that global emission levels by 2030 resulting from the implementation of the current Nationally Determined Contributions (NDCs) will make it impossible to limit warming to 1.5°C with no or limited overshoot, and will significantly increase the challenge of limiting warming to 2°C. This conclusion is reiterated in the *2023 Emission GAP Report*. It emphasises that maintaining the possibility of achieving the long-term goal of the Paris Agreement will be dependent on being much more ambitious and stepping up implementations this decade, thereby facilitating much more ambitious targets for 2035 in the next round of Nationally Determined Contributions (NDCs) and paving the way for the implementation and implementation of net zero emissions pledges by countries that currently cover around 80% of global emissions.

Endesa has a great responsibility as a company promoting the energy transition and must and wants to serve as an example to others by accelerating the decarbonisation of the electricity sector. The company is constantly changing, adapting to the needs of society and making changes in its business to address emerging climate challenges; however, without a doubt, there are factors that cannot be controlled. During 2023, a series of regulatory, technical and meteorological circumstances have led to a significant increase in Endesa's carbon dioxide emissions. Among the external factors that have participated in this increase are the war between Russia and Ukraine, geopolitical tensions, delays in authorizations, drought and the energy crisis, among others. However, it should be noted that despite these last two one-off years of increase compared to the planned path, Endesa closes 2023 consolidating the cumulative emissions reduction of 66% in just 7 years since the adoption of the Paris Agreement in 2015 and 79% since 2005, the year in which the Kyoto Protocol came into force, as shown in the figure below:

CHANGE IN ENDESA ETS EMISSIONS (million tCO<sub>2</sub>eq)



The new 2024-2026 Strategic Plan, introduced in 2023, updates the strategy in line with the previous plan. Gross investment will reach 8.9 billion of euros to increase clean electrification, with distribution grids and renewable generation as key pillars, a plan consistent with a decarbonisation pathway aligned with the 1.5°C scenario of the Science Based Target initiative (SBTi) for the Electricity Sector.

Endesa has been calculating and verifying its Carbon Footprint voluntarily since 2009. This process includes:

- The development of a calculation methodology and a proprietary computer tool.
- The implementation of a management system and the determination of an emissions inventory.
- Company-wide greenhouse gas (GHG) emissions removals.

During 2023, Endesa verified its carbon footprint for the 2022 financial year and published the corresponding report<sup>20</sup>.

Endesa's environmental management system is based on international protocols and standards that are audited by prestigious independent organisations. The verifying entity for the Carbon Footprint was the Spanish Association for Standardisation and Certification (AENOR).

The scope of the Endesa carbon footprint includes the following systems associated with its businesses:

- Renewable generation: hydro, wind, photovoltaic and biogas.
- Thermal generation: coal, fuel/gas and natural gas.
- Nuclear generation.
- Electricity distribution.
- Port terminal management.
- Administrative activities in Endesa buildings.
- Commercialization of electricity and natural gas.
- CO<sub>2</sub> sinks.

The applicable regulations that have set out the criteria and information that have been taken into account to carry out the verification have been, among others, the following:

- ISO 14064-1:2018 standard: Specification with guidance, at the organizational level, for quantification and reporting of greenhouse gas emissions and removals.
- ISO 14064-3:2019 standard: Specification with guidance for the validation and verification of greenhouse gas claims.
- Regulation (EU) No 2018/2066 (as amended by Regulation (EU) 2020/2085) and the corresponding requirements set out in the authorisation and monitoring plan for installations subject to the EU ETS (Emission Trading System).
- Greenhouse Gas Protocol (GHG Protocol).

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<sup>20</sup> <https://www.endesa.com/content/dam/endesa-com/home/prensa/publicaciones/otraspublicaciones/documentos/huella-de-carbono-2022.pdf>

- The Greenhouse Gas Protocol. A Corporate Accounting and Reporting Standard (Revised Edition) (GHG Protocol). Industry guides and associated tools.
- Corporate Value Chain (Scope 3) Accounting and Reporting Standard. Supplement to the GAG Protocol Corporate Accounting and Reporting Standard.

For the verification of the carbon footprint, the emissions of the following greenhouse gases have been considered: CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O, SF<sub>6</sub> and HFCs.

Endesa has registered its Carbon Footprint since 2013 and has demonstrated a path to reducing its emissions, according to the criteria established by the Spanish Office for Climate Change. In 2023, all the documents were submitted to the Ministry of Ecological Transition and the Demographic Challenge (MITECO) for registration. Endesa is currently awaiting a response and hopes that the efforts and results obtained by Endesa in its 2022 Carbon Footprint will once again be recognised, and that it will once again receive the triple Carbon Footprint Register seal awarded by the Spanish Climate Change Office to those organisations committed to calculating, reducing and offsetting their emissions.

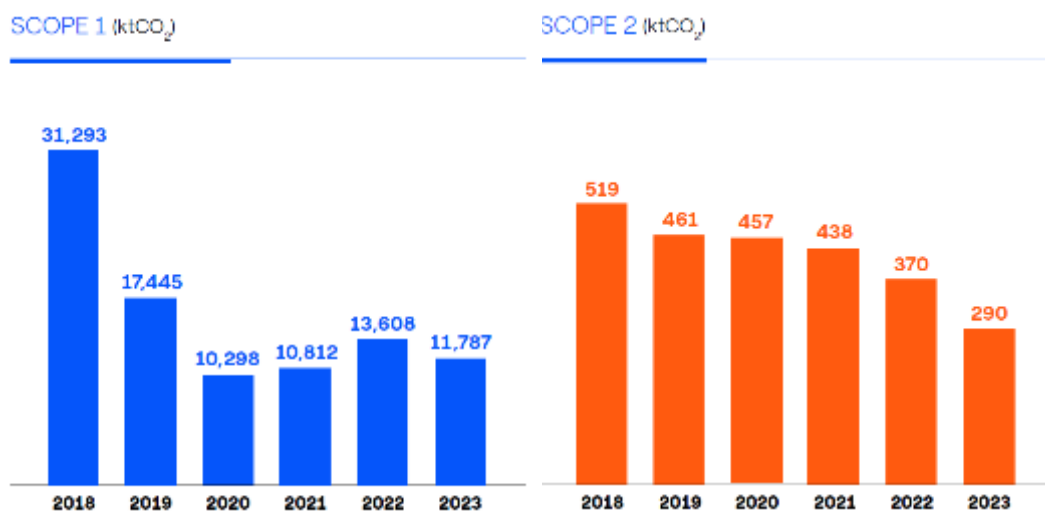
#### 4.1.5.2. Direct and Indirect Greenhouse Gas (GHG) Emissions

##### 305-1/305-2/305-3/305-5 CO<sub>2</sub>eq emissions Scope 1, 2 and 3

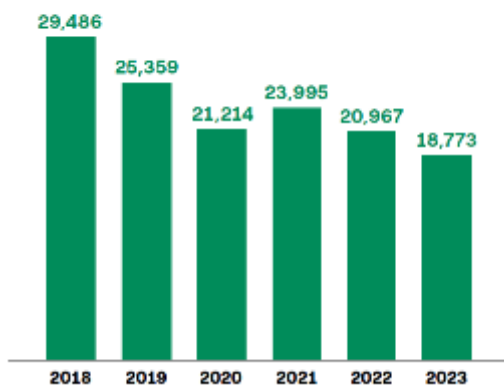
Endesa is working steadily to advance along the path defined to become a company with fully decarbonised generation and supply activities and to achieve Net Zero by 2040, and is progressively increasing its ambition to reach the target set. This is demonstrated by the reduction in Endesa's greenhouse gas (GHG) emissions in recent years (67% reduction compared to 2017, the base year for the SBTi target), in line with the objectives set in its Strategic Plans.

In relation to scope 3, consideration must be given to the inclusion of a target for electricity supplied but not generated by the company that, combined with the target of supplying natural gas and the impact of the decarbonisation of electricity generation on fossil fuel supply chain emissions, implies an absolute emissions reduction target that covers 90% of total scope 3 emissions (considering 2023 emissions) and that will reach a 100% reduction in 2040.

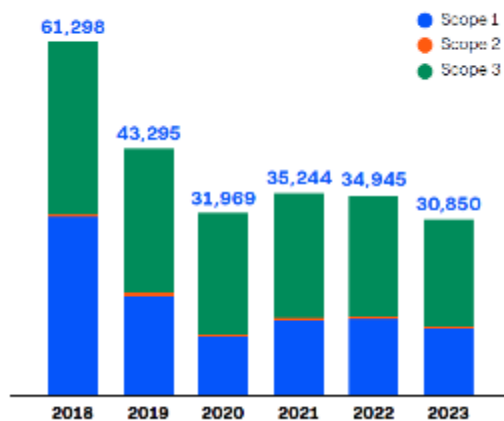
The evolution of emissions is detailed below by year and by type of scope:



### SCOPE 3 (ktCO<sub>2</sub>)



### EMISSIONS PERFORMANCE (ktCO<sub>2</sub>)



#### CO<sub>2</sub>eq EMISSIONS (t)<sup>1</sup>

Scope Type	2021	2022	2023
CO <sub>2</sub> eq (t) Scope 1	10,812,036	13,608,478	11,787,198
CO <sub>2</sub> eq (t) Scope 2 <sup>2</sup>	437,734	369,980	290,497
CO <sub>2</sub> eq (t) Scope 3 <sup>3</sup>	23,994,612	20,967,027	18,772,555
<b>Total</b>	<b>35,244,381</b>	<b>34,945,484</b>	<b>30,850,251</b>

<sup>1</sup> The results given in the table above for the years 2021 and 2022 are the verified values. Any difference with previously published data corresponds to the fact that at the time of publication of the previous report, the external verification process was being carried out in accordance with UNE EN ISO 14064 and the results were subject to some modification. As of the date of publication of this report, the calculation of Endesa's Carbon Footprint results for 2023 is in the process of being verified. Endesa calculates and verifies its emissions according to the guidelines set out in the GHG Protocol.

<sup>2</sup> The results of scope 2 of Endesa's carbon footprint are obtained by applying the following approaches: the market-based approach is applied to electricity consumption, while the location-based approach is applied to technical losses produced during electricity distribution.

<sup>3</sup> scope 3 includes emissions associated with the manufacture of installed equipment and services supplied.

#### Scope 2 CO<sub>2</sub>eq EMISSIONS (t)

Scope Type	2021	2022	2023
Scope 2 CO <sub>2</sub> eq (t) (location based) <sup>1</sup>	433,811	372,820	294,096
Scope 2 CO <sub>2</sub> eq (t) (market based) <sup>2</sup>	810,254	626,085	665,205

<sup>1</sup> Location based: Calculation methodology that uses the emission factor of the electricity grid in which the facilities are connected.

<sup>2</sup> Market based: calculation methodology that uses the emission factor of the electricity supply company.

In 2023, Scope 2 carbon dioxide emissions CO<sub>2</sub> (t) were calculated with a "market-based" approach, and their value is 665,205 tCO<sub>2</sub>eq, and with a "location-based" approach, and their value is 294,096 tCO<sub>2</sub>eq.

Endesa's efforts are reflected in the reduction of emissions in its three scopes. As regards the reduction of direct emissions (Scope 1), this is undoubtedly due to the abandonment of coal and the increase in renewable generation. On the other hand, indirect emissions have decreased mainly due to the reduction in natural gas sales in 2023.

#### GHG EMISSIONS BY GEOGRAPHICAL DISTRIBUTION (CO<sub>2</sub>eq, t)<sup>1</sup>

	Scope 1	Scope 2	Scope 3
Spain	10,771,276	290,497	11,750,104
Portugal	1,015,923	0	3,107,524

#### GHG EMISSIONS BY GEOGRAPHICAL DISTRIBUTION (CO<sub>2</sub>eq, t)<sup>1</sup>

	Scope 1	Scope 2	Scope 3
France	0	0	2,202,204
Germany	0	0	1,673,686
Netherlands	0	0	17,036
Andorra	0	0	22,000
<b>Total</b>	<b>11,787,199</b>	<b>290,497</b>	<b>18,772,554</b>

<sup>1</sup> As of the date of publication of this report, the calculation of Endesa's Carbon Footprint results for 2023 is in the process of being verified, so the data included are provisional. The final data after the completion of the verification will be published in the 2023 carbon footprint report.

#### GHG EMISSIONS BY GAS TYPE (CO<sub>2</sub>eq, t)<sup>1</sup>

	Scope 1	Scope 2	Scope 3
CO <sub>2</sub>	11,640,415	289,015	17,862,442
CH <sub>4</sub>	114,304	606	863,633
N <sub>2</sub> O	16,916	876	46,480
SF <sub>6</sub>	15,210	0	0
HFCs	355	0	0
<b>Total</b>	<b>11,787,199</b>	<b>290,497</b>	<b>18,772,554</b>

<sup>1</sup> As of the date of publication of this report, the calculation of Endesa's Carbon Footprint results for 2023 is in the process of being verified, so the data included are provisional. Once the verification has been completed, the final data will be published in the 2023 carbon footprint report.

#### GHG EMISSIONS BY LINE OF BUSINESS (CO<sub>2</sub>eq, t)<sup>1</sup>

	Scope 1	Scope 2	Scope 3	Total
Generation	11,698,337	0	2,595,842	<b>14,294,179</b>
Commercialization of natural gas	59,763	0	9,659,434	<b>9,719,197</b>
Electricity distribution	27,469	289,653	25,128	<b>342,250</b>
Commercialization of electricity	381	0	4,988,751	<b>4,989,132</b>
Port terminal management	26	844	28	<b>898</b>
Administrative activities in buildings <sup>2</sup>	1,223	0	1,503,373	<b>1,504,596</b>
<b>Total</b>	<b>11,787,199</b>	<b>290,497</b>	<b>18,772,556</b>	<b>30,850,252</b>

<sup>1</sup> As of the date of publication of this report, the calculation of Endesa's Carbon Footprint results for 2023 is in the process of being verified, so the data included are provisional. Once the verification has been completed, the final data will be published in the 2023 carbon footprint report.

<sup>2</sup> Includes emissions associated with the manufacture of the equipment installed and the services supplied.

<sup>3</sup> Calculation made by applying the emission factor of the Spanish Markets and Competition Commission (CNMC) for 2022 as the corresponding 2023 emission factor has not been published. The final data after completion of the verification will be published in the 2023 carbon footprint report.

#### BREAKDOWN OF GHG EMISSIONS BY SOURCE (CO<sub>2</sub>eq, t)<sup>1</sup>

<b>Direct greenhouse gas emissions</b>	<b>11,787,199</b>
Emissions from stationary sources	11,628,949
Direct emissions from stationary sources in thermal generation	11,606,327
Direct emissions from stationary sources in other businesses	22,622
Direct fugitive emissions from anthropogenic systems	94,509
Direct SF <sub>6</sub> emissions from electricity distribution facilities and power plants	15,210
Direct emissions at ENDESA-owned reservoirs associated with hydroelectric generation.	78,947
Fugitive direct emissions from air conditioning and fire protection systems	353
Mobile Combustion Emissions	63,740

**BREAKDOWN OF GHG EMISSIONS BY SOURCE (CO<sub>2</sub>eq, t)<sup>1</sup>**

Direct emissions from mobile combustion (vehicles)	4,208
Direct emissions from mobile combustion (LNG shipping)	59,532
<b>Indirect GHG emissions from imported energy</b>	<b>290,497</b>
Emissions due to losses in electricity distribution	289,653
Emissions associated with electricity consumption in buildings and port terminals	844
Emissions associated with electricity consumption in the electric vehicle fleet	0
<b>Indirect GHG emissions from transport</b>	<b>30,022</b>
Emissions associated with subcontracted mobile combustion sources	21,414
Emissions associated with business travel (train, air, rental car, taxi and hotel nights)	4,006
Emissions associated with commuting.	4,602
<b>Indirect GHG emissions from products used by the organization</b>	<b>5,683,211</b>
Emissions associated with the life cycle of fuels consumed	4,173,250
Emissions associated with the transport and management of waste generated	13,483
Emissions associated with the production and transportation of the purchased chemicals/consumables	1,936
Emissions associated with the life cycle of water consumed	106
Emissions associated with the life cycle of the products and services used by the organization	1,494,437
<b>Indirect GHG emissions associated with the use of the organization's products</b>	<b>13,059,322</b>
Emissions associated with the marketing of natural gas	8,070,571
Emissions associated with the trading of electricity	4,988,751
<b>TOTAL direct GHG emissions</b>	<b>11,787,199</b>
<b>TOTAL indirect GHG emissions</b>	<b>19,063,052</b>
<b>TOTAL GHG emissions</b>	<b>30,850,250</b>

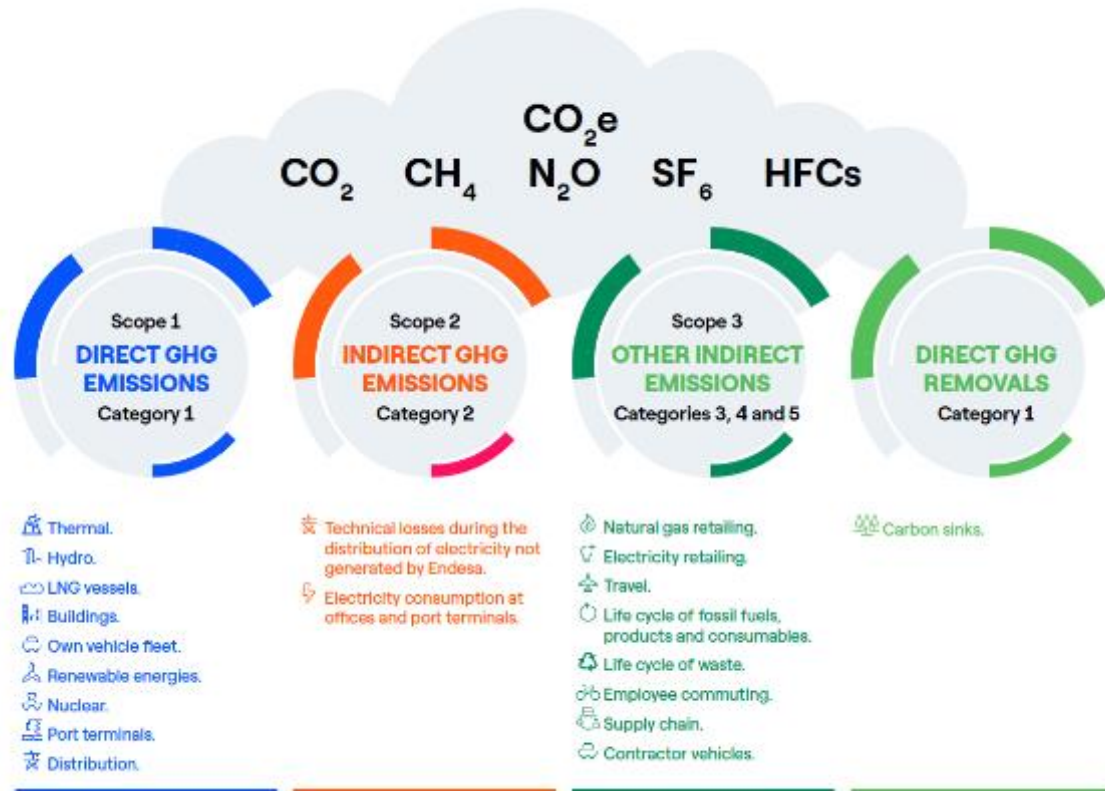
<sup>1</sup>As of the date of publication of this report, the calculation of Endesa's Carbon Footprint results for 2023 is in the process of being verified, so the data included are provisional. Once the verification has been completed, the final data will be published in the 2023 carbon footprint report.

<sup>2</sup>Calculation made by applying the emission factor of the Spanish Markets and Competition Commission (CNMC) for 2022 as the corresponding 2023 emission factor has not been published. The final data after completion of the verification will be published in the 2023 carbon footprint report.



## Breakdown of scope 1, 2 and 3 GHG emissions

Endesa analyses all possible sources of emissions from the different activities it carries out and determines the inventory of emissions to be reported, including the most relevant and those considered important to report, taking into account the activities carried out. Significant emissions are those that represent more than 5% of their category. The emission sources considered for the calculation of the carbon footprint are as follows.



The following table includes the most relevant scope 3 greenhouse gas emissions, indicating the categories to which they correspond according to the *GHG Protocol*<sup>21</sup>.

DETAIL OF THE DIFFERENT CATEGORIES OF SCOPE 3 ACCORDING TO GHG PROTOCOL<sup>1</sup>

Category	Description	tCO <sub>2</sub> e <sub>q</sub>
1	Purchased Goods and Services: includes the emissions of the life cycle stages of the chemicals consumed in the different activities. Includes manufacturing and transportation.	2,042
2	Capital Goods: supply chain of the main equipment	1,494,437
3	Fuel and energy: upstream emissions from purchased fuels, emissions from the generation of electricity sold and not generated by Endesa	9,183,415
4	Upstream Transportation and Distribution: emissions included in category 1	-
5	Waste generated in operations: Emissions from the final treatment processes of the waste generated in the activity.	13,483
6	Business Travel: emissions from the transport of employees for work purposes (train, plane, hire cars, taxi and hotel nights).	4,006
7	Employee commuting: emissions resulting from employee commuting.	4,602

<sup>21</sup> The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition) (GHG Protocol) provides the requirements and guidance for companies and other organisations on how to prepare a GHG emissions inventory.

#### DETAIL OF THE DIFFERENT CATEGORIES OF SCOPE 3 ACCORDING TO GHG PROTOCOL<sup>1</sup>

Category	Description	tCO <sub>2</sub> eq
11	Use of Sold Products: includes the burning of natural gas, the use of electricity does not generate emissions	8,070,571

<sup>1</sup>As of the date of publication of this report, the calculation of Endesa's Carbon Footprint results for 2023 is in the process of being verified, so the data included are provisional. The final data after the completion of the verification will be published in the 2023 carbon footprint report.

### SF<sub>6</sub> Emissions

In 2023, Endesa has maintained the commitments agreed under the new Voluntary Agreement for the period 2021-2023, signed by the Ministry of Ecological Transition and Demographic Challenge and the main players of the Spanish energy sector, covering the integrated management of SF<sub>6</sub> use in the power industry in a more environmentally friendly way. The main objective is to contribute to the objective of reducing greenhouse gas emissions in diffuse sectors, assigned to Spain.

Thanks to the data sent by all the components of the Voluntary Agreement to the inventories unit of the Ministry of Ecological Transition and Demographic Challenge, compliance was proven with the SF<sub>6</sub> emission reduction targets for the manufacturing and installation, service and maintenance phases for electrical equipment that use SF<sub>6</sub>, in 2022 and 2023.

The adoption of the revision of Regulation (EU) 517/2014 in 2022 on fluorinated greenhouse gases will lead to the revision of this agreement to adapt it to the new regulation.

In 2014, Regulation (EU) 517/2014 was adopted, the main measures of which were:

- Quota systems for the marketing of hydrofluorocarbons (HFCs) with the aim of reducing their marketing by 79% by 2030 from the levels marketed between 2009 and 2012.
- Prohibitions on the marketing of certain new equipment containing fluorinated gases.

The proposed revision of the regulation is currently under negotiation between the European Parliament and the European Council, and is expected to be approved by the first quarter of 2024.

With its imminent adoption, the modification of the voluntary agreement and Endesa's strategy will be required and developed during 2024.

### Emissions Intensity

#### 305-4

The intensity of the emissions associated with electricity generation is calculated from the Scope 1 emissions from the consumption of fossil fuels for the production of electricity, divided by net electricity production.

The intensity of emissions associated with electricity trading (electricity generation process plus market purchases) is calculated from scope 1 emissions from fossil fuel consumption for electricity production, plus scope 3 emissions associated with the production of electricity purchased from the market, divided by electricity sales to final customer.

#### CO<sub>2</sub> EMISSIONS

Types of emissions	2021	2022	2023
Absolute (tonnes of CO <sub>2</sub> )	10,512,071	13,271,230	11,554,438
Specific (kgCO <sub>2</sub> /kWh)	0.18	0.205	0.192

#### GHG EMISSION INTENSITY FOR SCOPES 1, 2 AND 3

	2021	2022	2023
GHG emissions (tCO <sub>2</sub> eq)	34,468,785	34,945,484	30,850,251
Turnover (million euros) <sup>1</sup>	20,899	32,896	25,459

#### GHG EMISSION INTENSITY FOR SCOPES 1, 2 AND 3

	2021	2022	2023
GHG emissions intensity (tCO <sub>2</sub> eq/ million euros)	1,649	1,062	1,212

<sup>1</sup>See Note 9.3.1 Revenue in the Consolidated Management Report 2023.

#### SCOPE 1 GHG EMISSIONS (tCO<sub>2</sub>eq)

	2021	2022	2023
Gross GHG Scope 1 Emissions	10,812,036	13,608,478	11,787,199
Scope 1 GHG emissions included in the European Emissions Trading System	10,512,071	13,271,230	11,554,438
Proportion of Scope 1 GHG emissions covered by the European Emissions Trading System (%)	97.2	97.5	98.0

### 4.1.5.3. Objectives

#### 3-3 Emissions Management Approach

Endesa, through the update of its Strategic Plan for the period 2024-2026, reconfirms its commitment to the full decarbonisation of the company by 2040, which is based on a growth in renewable capacity to reach 13,900 MW by the end of 2026, with wind power capacity of 1,600 MW of wind power capacity, 2,000 MW of photovoltaic capacity, and with Andorra, Pego and 800 MW of wind power capacity in Galicia as strategic projects, which will enable the company to reach 93% emission-free electricity production on the Iberian Peninsula, up from 80% at the end of the current year. The new renewable capacity that will be added to Endesa's energy mix in the period covered by the Plan will amount to 3,600 MW, with an associated investment of 4,300 million euros.

This growth in renewables is underpinned by a broad project portfolio, with 17 GW of mature projects, of which 1.4 GW are already underway. 54% of the portfolio is solar, 24% wind and another 19% corresponds to battery storage projects. The 2024-2026 Plan includes 200 MW of this type of storage. This is a new technology included in the previous plan relates to two large just transition projects awarded in 2022, at Pego in Portugal and Andorra in Aragón.

Endesa's strategy, which is launched through its 2024-2026 Strategic Plan, responds to the current climate emergency and defines a decarbonisation path aligned with the 1.5°C objective that covers the main direct and indirect emissions. Endesa thus contributes to the goal certified by the "Science Based Target Initiative" (SBTi) at Group level by its parent company, Enel. The company is accelerating the exit of its generation business based on fossil fuels, such as the sale of gas, to become a 100% renewable electricity company with no links to emitting production technologies or fossil fuels.

It should also be noted that, following the Science Based Target initiative (SBTi) methodology for the establishment of emission reduction objectives and assuming Scope 2 less than 5% of emissions (Scope 1 + 2), no reduction target has been established for Scope 2 emissions because it is not considered material. With regard to other emissions, as part of the "Science Based Target initiative" (SBTi) objective certified at the level of the Enel Group, Endesa aims to become "Net Zero" by 2040. In keeping with the aspiration to achieve zero emissions, the use of neutralization instruments would potentially be considered for those emissions for which there is no emission-free technological solution.

#### Reduction of GHG Emissions from the Generation Business

Despite an unfavourable scenario, Endesa has considerably reduced greenhouse gas emissions. The evolution of emissions has been affected by a series of regulatory, technical and meteorological circumstances that have led to an increase in emissions compared to those expected at the time of establishing the decarbonisation targets for electricity generation in 2020. These include:

- The As Pontes Thermal Power Plant, a facility for which Endesa requested authorisation to close in 2019, has received authorisation late, in August 2023, for various reasons beyond Endesa's capacity and responsibility (security of supply criteria in a situation of energy crisis, among others), meaning it has been forced to continue operating for part of 2023.
- Delays in updates to the remuneration parameters for the cogeneration facilities led to a shortfall in the contribution of this technology in 2023.
- The application of the Iberian exception during the first month and a half of 2023, coupled with the low availability of France's nuclear generation facilities.
- The exceptional weather conditions that have led to a decrease in hydroelectric production in 2023 compared to a typical year. The consequences of the drought on hydroelectric generation have been significant throughout the Iberian Peninsula.
- The situation of the electricity systems of the non-mainland territories (Canary Islands, Balearic Islands, Ceuta and Melilla), in which Endesa is the main generator and which in 2023 has accounted for a large part of the company's emissions. The lack of competitive tendering, which blocks any possibility of renewing the generation facilities or accessing to less emitting fuels, added to a demand that has been growing, and renewable penetration targets that are not being met, are leading the existing generation facilities to a situation of stress, with significant consequences in terms of emissions.

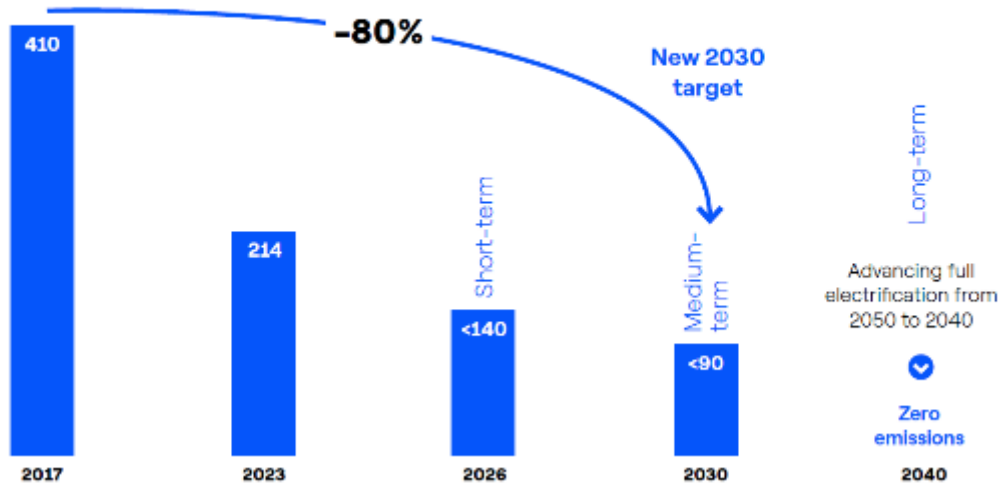
That said, it is important to clarify that, eliminating the regulatory, technical and meteorological causes, the emission factor of Endesa's generation would have been adjusted to the current objectives of the company's strategic plan, also considering that they were established in 2020, in a geopolitical and regulatory context very different from the current one.

SCOPE 1 EMISSIONS (gCO<sub>2</sub>eq/kWh)



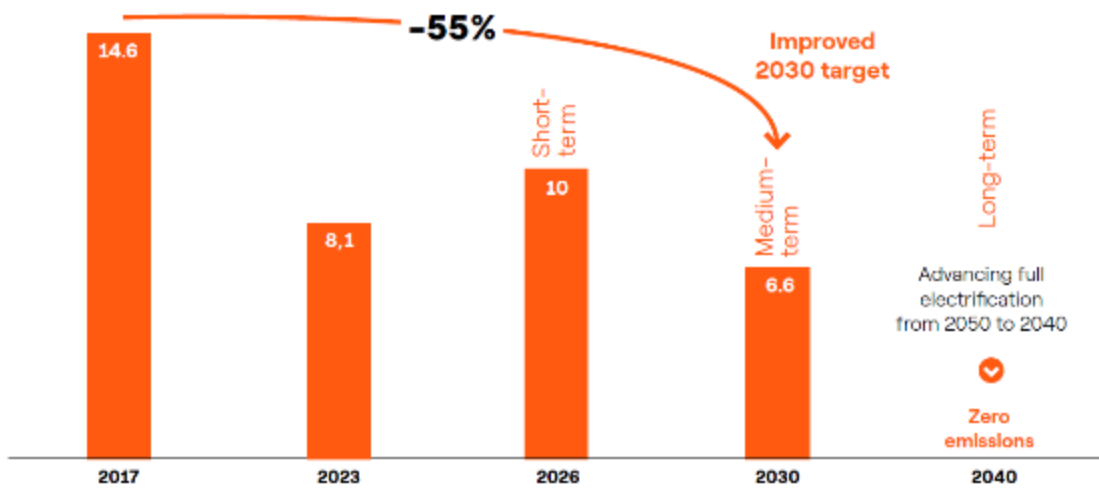
## Reduction of GHG Emissions from Electricity Sales

SCOPE 1 & 3 EMISSIONS (gCO<sub>2</sub> eq/kWh)



## Reduction of GHG Emissions from Gas Sales

SCOPE 3 EMISSIONS (MtCO<sub>2</sub> eq)



<sup>(1)</sup> The target does not include mergers and acquisitions.

## 4.1.6. Climate Change Initiatives

### 4.1.6.1. CDP

In 2023, more than 740 institutional investors with assets worth USD 136 trillion, and more than 330 large clients with USD 6.4 trillion in purchasing volume, have urged companies to disclose their performance regarding environmental impacts, risks and opportunities through the Carbon Disclosure Project (CDP) platform on climate change, hydrological security and forests. This year, more than 23,000 companies and 1,100 cities, states and regions responded to the proposed questionnaires revealing their environmental impacts.

Since 2006, Endesa has participated in the "CDP Climate Change" initiative, the most prestigious climate change index, which provides global information on the management of the risks and opportunities identified by the largest companies worldwide. Reporting to the CDP provides Endesa with multiple benefits, including:

- **Stakeholder Transparency:** CDP reports provide a platform for Endesa to disclose its environmental impact and performance. It allows stakeholders, including investors, customers, and general public, to access information about the company's carbon footprint, its emissions reduction strategies, and its overall sustainability efforts. Transparency helps build trust and improves reputation.
- **Investor confidence:** Many investors are increasingly considering environmental, social and governance (ESG) factors when making investment decisions. Reporting to the CDP enables Endesa to demonstrate its commitment to climate action, attract more investors who prioritise corporate sustainability and improve overall investor confidence.
- **Risk management:** Climate change and environmental issues pose risks to Endesa's long-term viability. Reporting to CDP helps to disclose the internal processes that are taking place.
- **Competitive advantage:** As the global economy shifts toward sustainability, companies that demonstrate their commitment to environmental and climate responsibility gain a competitive advantage. CDP's reports allow Endesa to showcase its environmental performance, attract environmentally conscious customers and differentiate itself in the market in the medium and long term.
- **Supply chain management:** CDP reports go beyond a company's direct operations and include the environmental performance of its supply chain. Assessing and disclosing the environmental impact of the entire value chain helps identify opportunities for efficiency improvement and fosters sustainability across the supply network. It also better prepares Endesa to face the increasing regulatory requirements to extend and control the commitment to supply chain sustainability introduced by standards such as the CSRD and ESRS or the Sustainability Due Diligence Directive, currently in the process of being drafted.

In 2023, Endesa renewed its "Leadership" rating for the seventh year running as part of the CDP initiative.

### 4.1.6.2. Climate Projects

#### 201-2

The Carbon Fund for a Sustainable Economy (FES-CO<sub>2</sub>) is a financing instrument through which eight calls for Climate Projects have been launched since 2012, of which Endesa has participated in four.

Climate Projects are projects promoted by the Ministry of Ecological Transition and Demographic Challenge, through the FES-CO<sub>2</sub>, with the primary objective of reducing greenhouse gas (GHG) emissions in the so-called "non-ETS sectors" and of marking a path of transformation of the production system towards a low carbon model.

Endesa has continued to develop its projects during 2023 and, for the seventh consecutive year, has obtained the "Certificate of recognition of verified emission reductions" from the Ministry of Ecological Transition and the Demographic Challenge, after an exhaustive verification process of its projects.

In 2023, Endesa has seen its emissions reductions recognised thanks to its activities focused on sustainable mobility:

- Electric Mobility plans for employees. These schemes offer workers the possibility of owning an electric vehicle at a lower cost for a period of three years, which can be extended.
- The Electric Mobility Plan for construction vehicles aims to replace combustion vehicles used in the displacements of construction works of new renewable plants, with 100% electric vehicles, thus reducing carbon dioxide (CO<sub>2</sub>) emissions.

Thanks to its participation in Climate Projects, Endesa has achieved recognition of the reduction of more than 100 tonnes of CO<sub>2</sub> in 2023, totalling almost than 2,500 tonnes of CO<sub>2</sub> avoided since the start of recognition of the Climate Projects.

#### 4.1.7. Carbon Market

Endesa uses a carbon price benchmark associating a cost to CO<sub>2</sub> emissions to optimise decision-making when selecting projects with associated capital investment, managing risks or planning business strategy.

##### CARBON MARKET PRICES (€)

Scope	Type of internal carbon price	Application	Price (per tonne of CO <sub>2</sub> eq) 2021	Price (per tonne of CO <sub>2</sub> eq) 2022	Price (per tonne of CO <sub>2</sub> eq) 2023
Scope 1	Shadow price	The entire company	53.2 €	80.87 €	83.50 €

Endesa recognises the role of carbon price mechanisms in providing an adequate price signal for greenhouse gas emissions and as the most effective way to instrumentalise compliance with committed emission reduction targets. For this reason, Endesa has supported the reform of the ETS (Emissions Trading System) approved by the EU for period 2021-2030 and which maintains the role of the ETS as a fundamental instrument to achieve the EU's decarbonisation objectives. The linear reduction factor has been significantly increased to achieve the additional reductions required of the sectors under the ETS and to provide a clear price signal to the market. The market stability reserve should maintain its role as a key element for price stability and balance the market surplus. The creation of a new market for the road transport, buildings and small industry sectors is an important signal for the decarbonisation of these sectors. Finally, Endesa supports the adoption of the Carbon Frontier Adjustment Mechanism to provide greater climate ambition while reducing the risks of carbon leakage. The implementation of the mechanism should go hand in hand with intensifying discussions on increasing climate ambition with the EU's main global trading partners. In summary, Endesa considers that either through its extension or through emission taxation instruments, there must be an adequate price signal for any issue, regardless of its origin.

In addition to the carbon price considered when making investment decisions, Endesa has continued to implement the Internal Carbon Price (ICP) project, the aim of which is to reduce CO<sub>2</sub> emissions due to the daily work activities of the company's employees, with the consequent awareness-raising and involvement of employees in achieving this objective. Among the activities included in the scope of the project are energy consumption and waste management in offices, commuting, travel and Endesa's fleet of vehicles.

The initiative sets a path for the decarbonisation of work activity with annual targets. In order to incentivise the fulfilment of the objectives, a tool has been designed based on the "polluter pays"

principle. Each year, emission inventories are calculated for each organisational unit and a price per tonne of CO<sub>2</sub> is established.

By monetising the emissions generated, employees are made aware of the cost of the CO<sub>2</sub> emitted in their work activities.

In addition, all organisational units of the company contribute from their internal budget the cost of the emissions generated by the work of their employees, which they deposit in a Climate Fund. With the amount raised in this Climate Fund, relevant climate action actions will be carried out each year, such as new developments within the Endesa Forest project, which helps to recover the natural capital of damaged forest environments and to meet the emission reduction targets set.

The initiative is accompanied by an internal communication campaign that seeks to promote a cultural change that increases awareness of the emissions caused by the daily activities of the workers, which can also be replicated at a personal level through the habits acquired, thus passing on the benefits of this wonderful initiative to society as a whole. As a result, this project has been recognised by the *#PorElClima* Community as one of the 10 Business Examples of large companies in the field of climate action.

The project complements the company's already ambitious roadmap towards the decarbonisation of its energy mix, established in its 2024-2026 Strategic Plan, with the aim of going one step further by increasing this ambition thanks to the awareness and involvement of all employees in reducing emissions caused by their work activity.

#### **4.1.7.1. Carbon Market and Offset Mechanisms**

##### **EU5**

In relation to the fulfilment of Endesa's objective of climate neutrality by 2040 and given the current uncertainty surrounding the consolidation of Article 6 of the Paris Agreement, which regulates carbon markets and their usefulness in the face of decarbonisation objectives, voluntary carbon markets take on special relevance in the global scenario. In this sense, Endesa has been working for years to offset its carbon footprint beyond the European emissions market. Since 2016, Endesa has been developing the Endesa Forest initiative, which, in addition to contributing to the social and economic environmental improvement of its projects' surroundings, generates carbon credits equivalent to the absorption of CO<sub>2</sub> from the atmosphere by the forests it creates. One tonne of CO<sub>2</sub> absorbed is equivalent to one Absorption Unit (UDA), which refers to a voluntary carbon credit issued by the Spanish Climate Change Office, under the Ministry of Ecological Transition and the Demographic Challenge, for the voluntary offsetting of the carbon footprint of Spanish companies.

In the same vein of moving towards the goal of climate neutrality, Endesa offers its customers the possibility of netting the emissions associated with their natural gas consumption.


Endesa also continuously monitors international agreements and national and international regulations in this area, such as Article 6 of the Paris Agreement, the future European framework for carbon capture/absorption certification (Sustainable Carbon Cycles) and the update of RD 163/2014, which creates the carbon footprint, offsetting and carbon dioxide absorption projects registry, which structures the national framework in this area.



## 4.2. JUST ENERGY TRANSITION

Material Topics	Plan	SDGs
Double materiality results Chapter 3. <i>Materiality</i>		

The objectives of the Sustainability Plan (ESP) 2024-2026 and the closure of these indicators are shown below.

SDGs	Activities	Units	2022	2023	ESP Objectives 2024-2026	
					2024	2026
	Number of Futur-e Plans	Nº. of plans	6	6	6	6

### Objectives



New



Redefined objective

## Actions to highlight

1. Endesa has increased its renewable capacity by 606.90 MW to 9,899 MW, of which 4,668 MW correspond to large hydro, 2,884 MW to wind power, 78 MW to mini hydro and 2,269 MW to solar photovoltaic.
2. Endesa has developed Future-e Plans that aim to help mitigate the impact of thermal power plant closures by boosting economic activity and employment in the surrounding area. In addition, the decommissioning projects of the plants are being developed under a Circular Decommissioning Plan, which, among other measures, highlights the reuse of equipment and the sale to third parties.
3. The Just Transition project of Andorra has been the only Spanish project awarded at the United Nations Conference on Climate Change (COP28) held in Dubai, in the category of Renewable Energies, Integration and Clean Energy.
4. In 2023, the Los Naranjos and Las Corchas solar plants of Endesa's renewable subsidiary Enel Green Power España in Carmona (Seville) were awarded the UNEF Seal of Excellence for Sustainability 2022, which recognises ground-mounted solar power plants built with the highest social and environmental integration criteria.

The scope of the information provided in this chapter covers both Endesa, S.A. and its investee companies in Spain and Portugal, the same as in the reports in the Legal Documentation. For more information, see sections 2.1.2.6. *Organisational Structure* and 2. *Report Coverage (ANNEX I: Methodology for preparing the report)*. Possible variations to the scope described here are presented throughout the chapter.

Endesa remains committed to contributing to a just transition, leaving no one behind, promoting the creation of sustainable and decent jobs. For Endesa, collaboration between governments, the private sector, civil society and other stakeholders is essential to achieve climate goals following an inclusive approach.

In this context, Endesa considers the just transition part of its business model and at the end of 2019 it adhered to the United Nations commitment to Just Transition under the "Climate Action for Employment" initiative. An example of this commitment is the Futur-e projects, a unique initiative that Endesa prepares and presents for each plant on a voluntary basis, one that is managed through dialogue with local communities and designed to promote the development of economic activities and the generation of employment in the areas where the plants that are shut down are located, from a Just Transition approach.

In addition, within the context of the renewable energy projects that Endesa promotes and beyond the construction process and the generation of employment involved in the execution of these projects, Endesa has followed a Creating Shared Value (CSV) model in order to achieve the greatest possible integration of these facilities with the environment, seeking maximum local value and minimum impact. It is carried out through a participatory methodology and active listening to local agents in the area of influence of each of the projects, and an accompanying plan is designed with a set of initiatives that are very diverse in nature and respond to the specific needs of each municipality. For more information, see Chapter 4.6.2. *Engagement with Local and Global communities*.

As a result of this experience in the application of CSV processes in the asset and project environment, Endesa was awarded two Just Transition tenders in 2022: Andorra (Teruel) and Pego (Abrantes), with a total access capacity of 1,202 and 628 MW respectively. The acquisition of this new capacity allows Endesa to develop renewable projects with accompanying plans that are very relevant to the area and that make it possible to accelerate the decarbonisation process planned under a Just Transition approach. For more information, see chapter 4.1. *OUR ZERO EMISSIONS AMBITION*.

The implementation of these accompaniment plans began in 2023. Both projects launched training aimed at the local population to improve employability, through the Rural School of Sustainable Energy, and training has been provided to more than 390 people in the case of Andorra and more than 180 in Pego. Likewise, unique projects have already been started in the primary sector, with the aim of generating employment in the surrounding area. The Apadrina un Olivo (Sponsor an Olive Tree) programme, which was launched in Andorra and Pego, has generated 29 and 3 jobs respectively. For more information, see chapter 4.2.1.2. *Just Transition Tenders*.

#### **4.2.1. Closure of Thermal Power Plants**

In April 2020, Endesa signed the "Agreement for a Just Energy Transition for Coal Plants in Closure: Employment, industry and territories", with the Ministries for the Ecological Transition and the Demographic Challenge and the Ministry of Labour and Social Economy, as well as with the UGT, FICA and CCOO Industry trade unions. With this agreement, Endesa confirms its priority objective of maintaining and creating activity and employment in the areas affected by the closures of thermal power plants, by supporting at-risk sectors and groups, by helping the population to remain in rural areas and by promoting diversification and specialisation in line with the socio-economic context. The aim is to take advantage of the territory's endogenous resources and attract exogenous investment, by prioritising those sectors that show the best results in terms of sustainability, both environmentally, economically and socially.

Endesa's commitment to the complete decarbonisation of its energy mix includes the total closure of its coal-fired thermal generation facilities (5.7 GW), comprising a total of six plants, five plants in Spain, which account for 20% of its total generation facilities, and the Pego plant in Portugal. All of them are currently in the process of closing, although with different degrees of progress:

Compostilla, Andorra and Litoral are in the process of demolition, while As Pontes received authorisation for total closure in 2023 and is awaiting the environmental conditions imposed by the Xunta for dismantling and the building permit. Work is expected to commence in July 2024. With respect to the Alcudia plant, authorisation has been available for the closure of groups 1 and 2 since December 2019, and the reduced decommissioning of these groups has been completed. Groups 3 and 4 remain operational with an operating limitation of 500 hours/year each. With regard to Pego, the production license expired in November 2021.

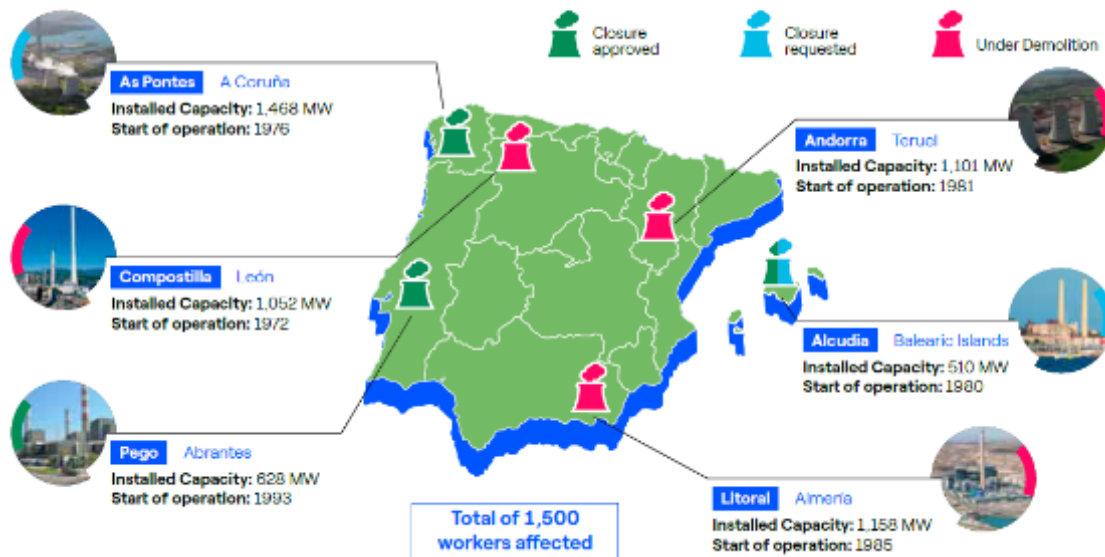
These closures affect an estimated 1,500 workers (own employees and contractors) and are also expected to reduce economic activity in the area. Endesa, as part of its commitment to these territories, has developed 6 Futur-e Plans, one for each power plant, with the aim of helping to mitigate the impact that these closures may have on the local population. This programme channels the process of closing the power plants, boosting economic activity and employment in their surroundings, through four lines of action: i) proactive job search for the personnel directly affected, ii) promotion of economic activity in the area, iii) education and training to improve employability, and iv) sustainability of the municipality.

Progress continued to be made during 2023 on the Compostilla, Andorra and Litoral decommissioning projects, with a total of 294, 163 and 252 people having been trained respectively since the start of the projects. In addition, these projects, together with Alcudia, have led to a cumulative hiring of 2,364 people, 49% of whom have been local.

These projects are being executed under a Circular Dismantling Plan, which, among other measures, highlights the internal reuse of equipment and sale to third parties. The circular dismantling plan considers the best use of the equipment and materials of the facilities that are dismantled, where priority is given to the internal reuse of this equipment removed in other facilities of the company or through its sale to third parties, thus seeking a second life for them. Donations of materials and equipment to local actors are also envisaged to give them a second life. The total number of items donated up to 2023 is 776, to a number of recipients of 27. The typology of donated items ranges from equipment for training and museum purposes, to laboratory equipment to give them a second life.

Futur-e processes are also underway in the area around the Compostilla, Litoral and As Pontes closures, to identify non-energy projects that could attract investment using the thermal power plant sites. For more details, see section *4.2.1.1 Support for Decarbonisation Projects: Futur-e Plans*.

5.7 GW OF COAL PLANTS IN THE PROCESS  
OF BEING SHUT DOWN  
20% OF ENDESA'S THERMAL GENERATION FLEET



#### 4.2.1.1. Support for Decarbonisation Projects: Futur-e Plans

In 2023, the 6 thermal power plants to be closed have an associated Futur-e Plan, which Endesa voluntarily submitted to the competent Ministry together with the application for the authorisation of these closures.

The plan has **4 main lines of action**:

- **Proactive search for employment** for the employees directly affected by the closure.
  - With a policy of zero dismissals for own workers, relocation plans are launched in agreement with the union representations for the relocation in the vacancies of the company, with criteria that minimise geographical mobility with change of address and with training measures to improve their technical training and professional retraining. Of the 690 employees affected, 41% were relocated to different positions within the Company and 59% were adhered to an early retirement plan.
  - For people registered in the Just Transition Exchanges organised by the Just Transition Institute, there are prioritisation criteria in training and hiring linked to the projects planned in the area. At the end of the year, the following people were hired: 1,006 people were hired in the Andorra dismantling project, 658 for the Compostilla project, 632 for the Litoral project and 68 in the Alcudia project.
- **The promotion of economic activity and employment in the area**, becoming priority areas for investment in renewables in the event that there is a solar or wind resource, as is the case of the Andorra plant, where Endesa has been awarded the Just Transition Tender for the deployment of renewable projects. For the Compostilla and Litoral power plants, processes are being carried out to identify projects for non-energy use of the site that will promote investment for reindustrialization and employment in the area.

- **Training plans** for the professional re-skilling of the local population in future activities for the area, a common denominator in all Endesa projects, both dismantling and renewable construction. 17 courses have already been completed in the areas of Compostilla, Andorra and Litoral, training some 709 people, mainly in dismantling work and training related to renewable energies. A total of 11 additional courses are planned for 2024, 6 in As Pontes and 5 in Litoral, for a total of 425 estimated beneficiaries.
- Measures for the **sustainability of the municipality** where the plant under closure is located, which is directly affected by the reduction of taxes derived from the cessation of activity, through energy efficiency plans and self-consumption programs for savings on their electricity bill.

#### FUTURE PLAN FOR CLOSURE PROJECTS



#### 4.2.1.2. Just Transition Tenders

Endesa has been the only successful bidder in the first two Just Transition Tenders that have been held to date in Spain and Portugal. In both cases, the grid capacity that remains available after the closure of these coal-fired power plants was subject to public tender, specifically, 1,202 MW in the case of Andorra-Mudéjar and 628 MW in the case of Pego-Abrantes.

In both tenders, the scoring criteria were based not only on technical aspects, but also on other aspects, such as the impact on biodiversity or the socio-economic impact on the environment.

Specifically in the case of Andorra, 20% of the score was derived from technical criteria, 15% from project maturity, 10% from environmental criteria and 55% from socio-economic impact.

In the case of Pego, the award would be attributed to the bid with the highest impact per MVA (megavolt-ampere) awarded in terms of greenhouse gas emission reduction and the capacity of evacuation to the grid, plus a 60% bonus on the socio-economic impact.

The key to winning them has been the socio-economic plans to accompany each of the projects, focused on the benefits generated with the proposal to the local communities directly affected by the closure, constituting in both cases more than 50% of the total score.

- In the case of Andorra-Mudéjar, with 55% of the score, the socioeconomic criterion focused mainly on the promotion of employment, training, opportunities for the local/regional industrial value chain, the creation of shared self-consumption and the participation of local capital in project investment.
- In the case of Pego, with 60% of the score, it focused on job creation, training, advantageous supply conditions for the municipality and electric mobility.

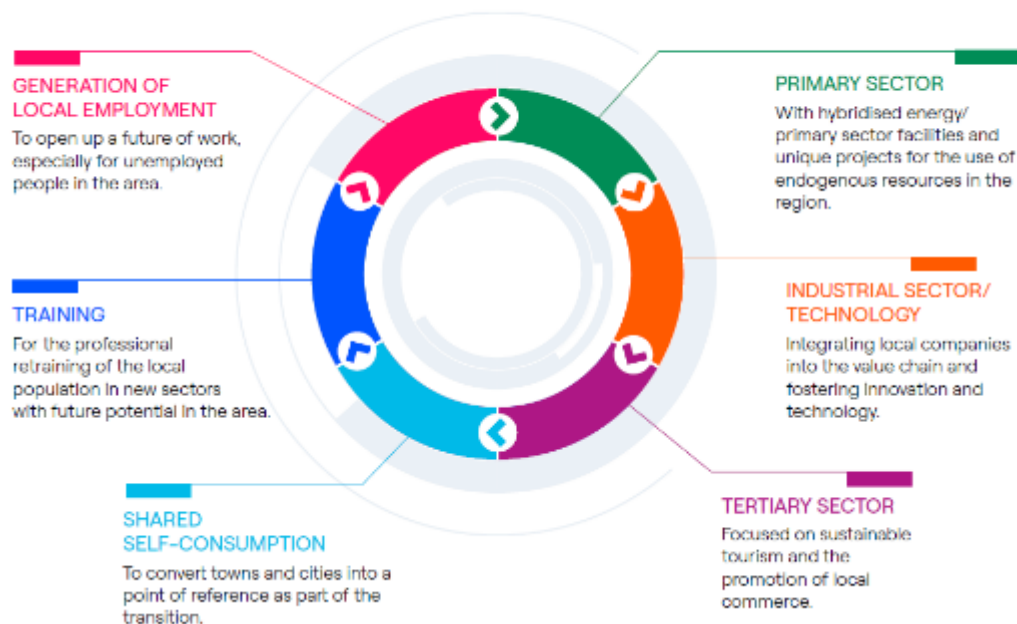
### **Andorra-Mudéjar Project**

The award of the Andorra-Mudéjar tender to Endesa represents the opportunity to implement a great project for the future of the area, backed by a socio-economic support plan built in a participatory manner with more than 30 local agents over almost 3 years. This is a reference model in the Just Energy Transition, where more power will be installed and more jobs will be created than were lost with the closure of the coal plant. With a total investment of 1.54 billion euros, 6,300 jobs will be created, counting the construction and operation phases of the facilities, generating more than 370 direct permanent jobs in the area for the operation of these facilities. In short, it will be a project with a permanent presence in the territory.

The technical project particularly stands out due its innovative character. A total power of 1,843.6 MW is proposed, with the hybridisation of renewable energies, 7 solar and 7 wind projects, 2 energy storage projects, a green hydrogen project and a synchronous compensator. This makes them unique, as it makes it possible to take full advantage of the performance of these technologies, higher quality and energy security and balance in service by producing as many hours as possible. The new renewable plants will be located in the municipalities of Albalate del Arzobispo, Híjar, Samper de Calanda-Castelnou, Andorra, Calanda, Alcañiz, La Puebla de Híjar, Jatiel, and Alcorisa.

The socio-economic development plan that accompanies it is the result of an exercise of social craftsmanship, immersion and active listening with the community, and has the collaboration of more than 30 entities and local agents of the three productive sectors. The plan aims to create local employment, establish population in rural environments and diversify the economy based on the endogenous resources of the territory, focusing on groups affected by the closure, women and vulnerable groups in rural areas, mainly unemployed and young people. In addition, it is always carried out with a focus on inclusion, integrating people with disabilities, as a key element in the company's sustainability strategy.

**SOCIAL-ECONOMIC SUPPORT PLAN**  
**AROUND 3 PRODUCTIVE SECTORS, INVOLVING MORE THAN 30 LOCAL AGENTS**



<b>Primary sector</b>	<p>It has the involvement of 15 local stakeholders and involves the creation of more than 120 permanent jobs. The following projects have already been launched:</p> <ul style="list-style-type: none"> <li>➤ From the Solar a la Mesa, con Apadrina Un Olivo. So far, it is the only project that has generated employment, with a total of 29 jobs since 1 January and 9.81 FTEs.</li> <li>➤ Inclusive Olive Grove and forest barrier, with ATADI.</li> <li>➤ Solar beehives, the first of which was installed in Andorra with La Cerrada.</li> <li>➤ Cultivation of aromatic plants in plots adjacent to Teruel TP, with <i>Natur Nature</i>.</li> </ul>
<b>Secondary sector</b>	<p>Projects are planned in partnership with 5 companies for the development of industrial activity related to the value chain, which will generate 240 permanent jobs. In 2023, the woodchip processing plant was built with Forestal del Maestrazgo. The rest are still in the process of finalising agreements.</p>
<b>Tertiary sector</b>	<p>Initiatives focused mainly on sustainable tourism and promotion of local commerce are proposed, with the involvement of 8 local agents. In 2023, the "Pictopueblo Inclusivo" project was launched with ATADI.</p>
<b>Training</b>	<p>A key element for the retraining of the local population in activities with potential for growth in the area. As a result, the Rural School of Sustainable Energy was created, which will be aimed at more than 4,000 students, among which special priority will be given to people living in the node, especially those affected by the closure of the plant (belonging to the Just Transition Exchange and other groups of special attention in this project, such as women, the unemployed and people with disabilities). It will be implemented in a gradual manner over a three-year period starting in 2023. During 2023, 32 courses were delivered to a total of 393 trainees, for a total of 19,973 hours of training.</p>
<b>Establishment of shared self-consumption</b>	<p>It will allow the 9 municipalities that will host the renewable projects to become a benchmark in energy transition, by also incorporating elements of energy efficiency and shared self-consumption. It includes more than 40 municipal buildings identified for the installation of solar roofs that will reach more than 3,800 beneficiaries (households and businesses in these municipalities). PPAs (Power Purchase Agreements) will also be signed, with pre-agreements signed for energy supply with local agents collaborating in this Plan. For the time being, an agreement has been signed with one of the municipalities (Alacón, 40 kW and 80 beneficiaries) and the first self-consumption installation (20 kW in TADARSA) has already been set up.</p>

Lastly, the Just Transition project in Andorra was the only Spanish project to win an award at the United Nations Climate Change Conference (COP28) held in Dubai, in the category of Renewable Energies, Integration and Clean Energy.

### Pego Project

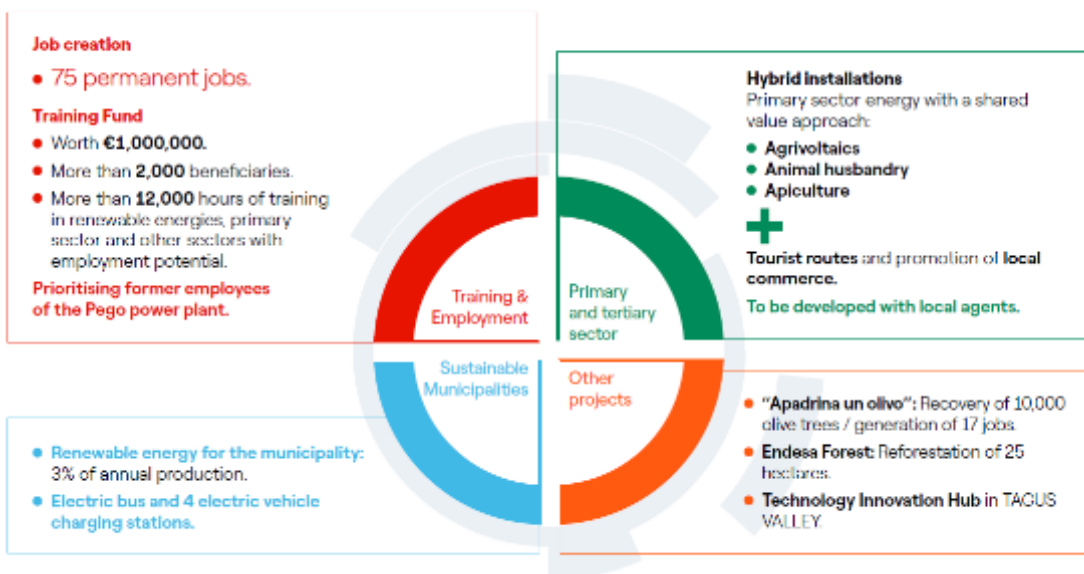
Endesa won the Just Transition Tender in Pego, Portugal, with a project that combines the hybridization of renewable sources and their storage, together with social and economic development initiatives.

This investment will be for the construction of new solar (365 MW) and wind (264 MW) capacity under a hybridisation regime supported by a storage system with batteries with a total capacity of 168.6 MW. The purpose of this battery system is to make the most of renewable production through the dynamic and optimised injection of the energy stored into the electricity grid, reducing energy losses and optimising its use. In addition, a 500 kW electrolyser will be installed and will come into operation simultaneously to take advantage of surpluses that cannot be managed by the storage system. This innovative model will make it possible to achieve almost 6,000 hours of production, surpassing the operation of any conventional thermal power plant.

In addition to the development of renewable energy sources, Endesa presented a plan involving a wide range of local actors, including workers affected by the closure of the Pego coal-fired power plant. The Plan, which aims to boost economic and social growth in the region, includes the creation of 75 jobs, with direct offers to former workers at the plant, more than 4,800 hours of training and support for SMEs to integrate their projects in the region. It is about creating new opportunities for growth and wealth based on an innovative renewable development model in which local communities play an important role.

The Creating Shared Value (CSV) model used by Endesa in all its projects seeks to maximise value for the surrounding community through a set of initiatives built through a participatory process with local stakeholders.

#### CREATING SHARED VALUE - PEGO PROJECT COMMITMENTS



14 people have already been hired for the Pego project, of which 7 are former workers of the coal-fired plant, all of them based in Abrantes. A partnership agreement was also signed with



"*Apadrinha uma Oliveira*" in Portugal and so far more than 1,400 olive trees have been recovered, 79 sponsors have been obtained and 3 people have been hired on a permanent basis, all of them former workers of the Pego thermal power plant.

In order to meet the training commitment for the project implementation region, the ***Escola Rural de Energia Sustentável*** was created in Portugal. This programme aims to provide the regional/local population with the necessary tools to adapt to the new demands of the labour market. More than 1,200 people are expected to be trained, and implementation will be staggered over a three-year period starting in 2023. In 2023, 9 courses were carried out, with 1,155 hours delivered for a total of 184 trainees trained (including 47 former workers of the closing thermal power plant).

#### 4.2.2. Construction of New Projects - Renewables

##### 201-2

Alongside the closure of the main greenhouse gas (GHG) emitting plants, a significant growth in renewable generation is taking place. The development and management of renewable energies by Endesa in Spain is carried out through Enel Green Power Spain (EGPE) (100% capital of Endesa).

In 2023, Endesa has increased its Renewable Energy Capacity (EERR) by 606.90 MW to 9,899 MW, of which 4,668 MW correspond to large hydro, 78 MW to mini-hydro, 2,884 MW to wind power, and 2,269 MW to solar photovoltaic.

The 2024-2026 Strategic Plan foresees an investment of 4.3 billion euros for renewables, the same figure as in the previous plan, with a greater weight of wind power to reach 13,900 MW of renewable capacity by the end of 2026, with the Andorra and Pego projects and the 800 MW of wind power in Galicia as its flagship projects. Investment in renewables remains stable to reach 93% of emission-free production in the Peninsula by the end of the plan, with a greater commitment to wind power, which will absorb 1,600 MW (compared to 2,000 MW from solar), while wind and hydroelectric repowering projects are the main novelties compared to the previous plan.

##### PERFORMANCE OF RENEWABLE ENERGY POWER AND CO<sub>2</sub> EMISSIONS AVOIDED (MW)

Concept	2005	2015	2018	2019	2020	2021	2022	2023	Goal 2024-2026
Spain and Portugal renewable energy capacity (MW)	-	-	6,527	7,408	7,781	8,390	9,293	9,899	13,900
New renewable energy capacity (MW)	-	-		926	391	627	904	607	4,000
LH Hydropower	-	-	4,683	4,668	4,670	4,672	4,668	4,668	
Mini-hydraulics	-	-	80	80	79	75	78	78	
Wind	-	-	1,751	2,308	2,423	2,546	2,882	2,884	
Solar	-	-	13	352	609	1,097	1,665	2,269	
<b>Total emissions avoided (KTn CO<sub>2</sub>) vs CCGT</b>	-	-	4,820	3,996	5,312	5,066	4,767	5,628	
<b>Total emissions avoided (KTn CO<sub>2</sub>) vs Coal</b>	-	-	12,099	10,029	13,335	12,717	11,969	14,127	
Gross production of Renewable Energy (GWh)	-	-	12,172	10,090	13,415	12,794	12,041	14,212	
Gross peninsular production with coal (GWh)	34,174.5	25,421	21,017	5,993	1,299	778	958	672	

For the calculation of the estimated CO<sub>2</sub> emissions avoided thanks to the available renewable capacity in 2023, gross production with annual renewable energies (GWh) was taken into account and multiplied by the average specific emission rate of Endesa's combined cycles (396TnCO<sub>2</sub>/GWh), or by that of Endesa's thermal power plants (994 tCO<sub>2</sub>/GWh). With them, it is estimated that the minimum avoided emissions (100% replaced by combined cycles) and the

maximum (100% replaced with coal) being respectively 5,628 and 14,127 KTCO<sub>2</sub> avoided. The reality of the tonnes avoided would be between both figures, depending on which plants worked by market to give that production if Endesa did not have this renewable power. In 2023, the closure of the As Pontes Power Plant has been granted, consolidating Endesa's peninsular coal closure target.

#### 4.2.2.1. Connection of New Renewable Energy Facilities

Endesa, through Enel Green Power España (EGPE), has continued its growth in installed renewable capacity despite the severe difficulties caused by the paralysis of critical segments that occurred during 2020 and the delays in administrative processes in 2021 and 2022, which have had an impact on the planning of project development.

Despite all this, Endesa managed to connect 606.90 MW to the grid in 2023, of which 1.44MW corresponds to wind farms, and 605.46MW to 9 new photovoltaic farms. These new projects have been developed in the Autonomous Communities of the Canary Islands, Aragon, Extremadura, Castilla-La Mancha, Andalusia and Castilla-León.

Overall, Endesa has connected 2,529.12 MW in the last four years, of which 606.90 MW were connected in 2023, 904.21 MW in 2022, 627 MW in 2021, and 391 MW in 2020.

#### 4.2.2.2. Expansion of the Portfolio of Projects Under Development

In addition to all the construction work carried out this year, it is worth highlighting the significant boost given in recent years to increase the portfolio of renewable projects in order to meet the ambitious targets set out in the company's strategic plan, expanding and adapting the project portfolio to the successive auctions that are called.

With its extensive development portfolio, which will continue to be built upon, continued growth of renewable capacity in the coming years is ensured in line with the company's new Strategic Plan. This growth in the renewable project portfolio is crucial to enhance the Company's decarbonisation objectives, allowing the gradual replacement of the thermal power plants being closed.

#### 4.2.2.3. Accompanying Plans for the Construction of New Renewable Energy Parks

The important renewable growth plan that Endesa plans for the next three years is accompanied by a strong commitment to the local community, through the accompanying plans defined for each renewable project. This approach, which Endesa has been applying since 2016, is part of its "Creating Shared Value" (CSV) sustainability strategy. Its main objective is to work with local communities in the environment of projects and business assets to achieve their maximum territorial integration.

Although each CSV Plan has its specific seal, which is defined with the local community, work is being carried out on 3 main axes of action in the construction projects of new renewable installations:

<b>Sustainable construction</b>	Focused on reducing the environmental impact of project construction by incorporating measures at the construction site that exceed regulatory requirements: solar panels in construction sheds, water collection tanks, efficient lighting, use of electric cars, etc. Many of these items are subsequently donated to the community once the work is finished.
<b>Promotion of the local economy</b>	Training actions, promotion of local contracting, and promotion of primary or tertiary sector initiatives linked to renewable projects, which can generate greater economic activity and employment in the area for fixing the rural population, always counting on people and companies from the municipality or municipalities where the project will be located.
<b>Sustainable Municipalities</b>	Installation in public and private buildings of the municipality of a series of solutions for photovoltaic self-consumption, electric mobility, monitoring/digitalization of consumption and efficient lighting. This ensures that these municipalities are also sustainable in consumption, thus becoming reference models in energy transition.

In short, it is about showing the utmost sensitivity to the territory in order to build a project that will be part of the local community. For more information, see section 4.6.2.1. *Sustainable Business Under the CSV Approach*.

Training programmes in subjects related to Endesa's activity have been pioneers in the sector and will continue to be an important part of the CSV plans that complement the company's projects. They are offered to the local population, completely free of charge, to facilitate their professional retraining in new sectors with potential for growth and employment in the area:

<b>Training in workplace risk prevention in industrial facilities</b>	These took place against the backdrop of closures and thermal power plants in operation. 92 people trained this year.
<b>Training for solar panel assemblers and in operation and maintenance of renewable energies.</b>	A total of 629 people have been trained, 532 in installation and 97 in operation and maintenance of renewable energies.
<b>Training in the primary sector as an activity that is already beginning to form part of Endesa's renewable energy installations</b>	Agreements have been signed with leading entities in this sector, such as ASAJA, Fundación Juan XXIII and AFAMMER, among others, with a total of 488 people trained this year.

In summary, in 2023, 1,369 people have been trained completely free of charge in the municipalities where there are generation facilities and projects. More than 4,000 people have already been trained nationwide in the period 2018-2023 and more than 7,500 people are expected to be trained in the next three years.

Inclusion is an important axis in the sustainability strategy for generation projects. In this line, Endesa has launched an initiative called COMPOST-IN, which consists of training aimed at people with disabilities. The objective is to train them in solar farm maintenance activities by providing training in the clearing and maintenance of forest screens and the production of organic compost. This project is being carried out with a national benchmark organisation, the Juan XXIII Foundation, and 12 local entities in the area surrounding Endesa's renewable energy parks.

Within the CSV plans, it is also necessary to highlight the initiatives of the primary sector, which are proposed within the renewable facility, with the idea of sharing and not competing for the use of the land, so that it does not lose its primary character while generating economic activity and employment. With a value proposition for the environment, it tries to multiply the positive effects of the initiative in different axes: not only through the support to local companies in the sector that can incorporate their activity in the facility, but also with the promotion of entrepreneurship and professional recycling in this type of activities, as well as the promotion of tertiary sector initiatives that may be related.

The aim is to convert renewable projects into hybrid installations between electricity production and the primary sector, incorporating agriculture, livestock, beekeeping or bio-cultivation activities, which allow renewable installations to become true reservoirs of biodiversity. It is a pioneering activity in the sector, which is already becoming a reality in Endesa's projects.

Of particular note for this year is the registration of the trademark "*Miel Solar de Endesa®*". The company, a pioneer in the sector in the incorporation of beekeeping in its renewable plants, has registered this trademark, which will be borne by fifty of its installations with the help of local beekeepers. The objective of this designation of origin is to certify the real compatibility of solar technology with the production of organic honey, while at the same time developing a training and entrepreneurship program in this key sector for the preservation of biodiversity.

This initiative began with a pilot project at the Las Corchas solar plant in the Sevillian town of Carmona, where the first solar beekeeping farm was installed in 2019 by a family of beekeepers from the Loramiel area. Since that first experience, the project has been expanded and there are

already solar apiaries in 2 other photovoltaic plants, one in Andorra (Teruel) and another in Minglanilla (Cuenca).

These initiatives go beyond the incorporation of bee hives in the facilities:

- They are also a training space aimed at entrepreneurs who want to get started in the world of beekeeping.
- They are an additional tourist attraction, through the development of a series of api-tourism activities in collaboration with the municipalities, with visits also to the solar plant.
- They are a space for innovation, through the implementation of hive sensor technology to help beekeepers and make their operations more efficient (weight, temperature, humidity and GPS location).
- They are a space for relationships and synergy with local commerce, since part of the honey is acquired for the production of artisanal products.

All these facilities are run by local beekeepers who have opted for a new way of producing organic and solar honey. By 2024, another 13 solar apiaries are expected to be developed, to continue growing in 2025 with 5 more installations.

**BEEKEEPING AS A MEASURE FOR CREATING SHARED VALUE**  
 3 APIARIES IN OPERATION AND 18 PLANNED FOR THE PERIOD IN 2024/2025







In April 2023, the Las Corchas and Los Naranjos solar plants, located in Carmona (Seville), were awarded the UNEF Seal of Excellence for Sustainability, which recognises land-mounted solar power plants built with the highest social and environmental integration criteria. They were the first two Endesa renewable plants to achieve this certification, for which an independent audit was carried out in which socio-economic parameters, the preservation and restoration of biodiversity and the circular economy were assessed, which respond to the company's commitment to economic, social and environmental sustainability. The Seal of Excellence in Sustainability was created by UNEF in 2020 to disseminate good practices in the Spanish photovoltaic sector, in the field of sustainable energy transition.

### 4.3. CLEAN ELECTRIFICATION

Material Topics	Plan	SDGs
Improvement and development of distribution networks Electrification of use Commitment to the customer		

The objectives of the Sustainability Plan (ESP) 2024-2026 and the closure of these indicators are shown below.

SDGs	Activities	Units	2022	2023	ESP Objectives 2024-2026	
					2024	2026
	Electricity losses <sup>1</sup>	% Losses Measured at Substation Busbar	9.99	9.98	9.89	9.64
	Improving Continuity of Supply	TIEPI <sup>2</sup> , min	54.4	48.7	47.8	41.8
	Quality: Overall customer satisfaction index <sup>3</sup>	-	7.43	7.56	7.64	7.75
	CapEx for customer services creation	Millions	-	-	~300 in the 2024-2026 period	

<sup>1</sup>OS criterion

<sup>2</sup>Regulatory TIEPI

<sup>3</sup>Electricity+Gas customers Free Market B2C

#### Objectives



New



Redefined objective

### Actions to highlight

1. During 2023, the regulated TIEPI in the markets supplied by e-distribution stood at 48.7 minutes, so the reliability of the service was 99.99% of the hours of the year.
2. The total energy distributed by Endesa's networks reached 136,363 GWh in 2023, measured in substation busbars, representing 43.1% of total demand in Spain.
3. Endesa has been awarded the prizes for Best Technological Innovation Project and Best Omnichannel Project at the Customer Relationship Excellence Awards 2023. These prizes, awarded by the Spanish Association of Customer Relationship Experts, recognise companies with the greatest customer focus, highlighting their best practices in customer relations.

4. In 2023, a new building energy refurbishment activity was developed through a new company called *Smart Community Service*. Through this project, it is possible to achieve savings of 30% to more than 60% of non-renewable primary energy consumption.

The scope of the information provided in this chapter covers both Endesa, S.A. and its investee companies in Spain and Portugal, the same as in the reports in the Legal Documentation. For further information, see sections 2.1.2.6. *Organisational structure* and 2. *Report Coverage (ANNEX I: Methodology for Preparing the report)*. Possible variations to the scope described here are presented throughout the chapter.

#### 4.3.1. Quality and Security of Electricity Supply

##### 3-3 Availability and Reliability Management Approach EUSS/EU4

The number of customers with contracts for access to the company's distribution networks increased by 0.7% in 2023, reaching 12.5 million.

In terms of energy supplied measured at substation busbars, Endesa supplied 105,402 GWh in 2023 to customers in its distribution networks, 1.5% less than in 2022, this represents 43.1% of total demand in Spain. The latter stood at 244,665 GWh, 2.3% lower than in 2022, according to the Spanish electricity system operator (REE report: "The Spanish electricity system. FY 2023 target").

There is no population without service in Endesa's distribution areas.

##### 4.3.1.1. Development and Improvement of Distribution Infrastructures

##### 3-3 Management approach Availability and Reliability EUSS

To ensure the correct supply of energy to its customers, the infrastructures in Endesa's distribution network are planned and operated in such a way that they continuously adapt to the capacity demanded by existing customers, network expansions requested by new customers, and correct attention to regulatory and legal actions and those subject to agreements.

The length of the lines of Endesa's distribution network in Spain stood at 319,136 kilometres, of which 41.1% correspond to underground lines. The number of substations at the end of the reporting period is 1,337.

##### ENDESA ELECTRICITY DISTRIBUTION FACILITIES IN SPAIN

	2021	2022	2023
<b>Length of distribution network lines (km)</b>	<b>316,506</b>	<b>317,829</b>	<b>319,136</b>
Overhead high-voltage lines (km)	18,908	18,956	<b>18,898</b>
Underground high-voltage lines (km)	805,093	807	<b>813</b>
<b>Length of high-voltage lines (km)</b>	<b>19,713</b>	<b>19,763</b>	<b>19,711</b>
Medium voltage overhead lines (km)	72,974	72,926	<b>72,940</b>
Underground medium-voltage lines (km)	41,362	41,747	<b>42,130</b>
<b>Length of medium-voltage lines (km)</b>	<b>114,336</b>	<b>114,673</b>	<b>115,069</b>
Low-voltage overhead lines (km)	95,818	95,963	<b>96,079</b>
Underground low-voltage lines (km)	86,639	87,430	<b>88,277</b>
<b>Length of low-voltage lines</b>	<b>182,457</b>	<b>183,393</b>	<b>184,356</b>

#### ELECTRICITY DISTRIBUTION FACILITIES IN SPAIN AND PORTUGAL

	2021	2022	2023
<b>Substations (number)</b>	1,326	1,331	1,337
<b>Substations (MVA)</b>	89,907	90,713	91,255
<b>Transformer centres (no.)</b>	130,575	130,966	131,452

#### EU12

Distribution losses are calculated as the difference between distributed energy, measured bars at the substation, and the energy supplied, which is measured based on readings of customer meters.

Technical losses are considered losses due to physical effects on the distribution of energy.

#### ELECTRICITY LOSSES (%)

	2021	2022	2023	Variation 2023-2022
Electricity losses <sup>1</sup>	10.2	9.99	9.98	-0.1%
Technical losses by distribution	3.6	2.94	2.83	-0.37%

<sup>1</sup>Losses measured in substation bars

#### 4.3.1.2. Continuity of Supply

##### EU28/EU29

Supply continuity in Spain is gauged through two main indexes, regulated TIEPI (Equivalent interruption time of the installed power) and regulated NIEPI (Equivalent interruption time of the installed number). The calculation procedure for these indexes is regulated by Royal Decree 1955/2000. TIEPI and NIEPI levels are audited annually by an independent third-party company.

During 2023, the regulated TIEPI in the markets supplied by e-distribution stood at 48.7 minutes, so the reliability of the service was 99.99% of the hours of the year. The regulated NIEPI stood at 0.78 in 2023.

Endesa also manages the SAIDI and SAIFI supply continuity indicators for its high, medium and low voltage lines, with the aim of orienting the quality of service towards highly competitive international standards.

The values of these indicators in 2023 were 63 minutes for the SAIDI and 1.18 interruptions in the distribution network (SAIFI). These indicators comply with the regulatory limit for 2023 and represent an improvement of 2.1% in SAIDI and 9.9% in SAIFI, compared to the result of 2022.

#### CONTINUITY OF SUPPLY MEASURES

	2021	2022	2023	Variation 2023-2022
Installed Capacity Equivalent Interruption Time (Average) – <b>regulated TIEPI</b> (Minutes) <sup>1</sup>	61.4	54.4	48.7	-5.7%
Equivalent number of interruptions related to the installed capacity – <b>regulated NIEPI</b> <sup>2</sup>	1.54	0.87	0.78	-0.1%

<sup>1</sup> Spanish Regulatory Criterion. Includes in-house, scheduled and the transmission of data of installed capacity equivalent interruption time (TIEPI)

<sup>2</sup> Spanish Regulatory Criterion. Includes data for the installed capacity equivalent interruption number (NIEPI), in-house, programmed and transmission

#### SUPPLY CONTINUITY MEASURES

	2021	2022	2023	Variation 2023-2022
Duration of Interruptions in the Distribution Network – <b>SAIDI</b> (Minutes)	70	64.38	63.0	-2.1%

Number of Interruptions in the Distribution Network – SAIFI	1.4	1.31	1.18	-9.9%
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#### 4.3.1.3. Security at Facilities

##### 3-3 Customers Health and Safety EUSS/3-3 Customer Health and Safety/416-1

Endesa complies with the provisions of the current legislation regarding personal safety, in relation to both workers and the public, at all its facilities:

- High and medium voltage installations are subject to triannual safety and suitability inspections, and action plans are established to resolve the identified defects.
- Installations connected to HV/HV and HV/MV substations feature safety devices to isolate any defects that arise.
- MV lines are equipped with intermediate protective devices such as lightning conductors and automatic valves to prevent surges caused by atmospheric discharges.
- MV/LV transformer stations and LV lines have similar safety measures.
- Network supply connections are also fully protected, in accordance with current legislation.

With regard to the health of the population, Endesa shares with the rest of the operators in the electricity sector, and with society in general, the concern about the potential impact that the electromagnetic fields generated by its facilities could cause. To this end different technical checks and, where appropriate, adaptations are performed, to ensure that operations do not affect the health of the population.

Endesa is kept permanently aware of the latest studies carried out in this area and actively participates in electricity sector forums to share knowledge and initiatives (technical, constructive, operational, etc.) in the field of the prevention of health risks related to these causes.

In all categories of Endesa's products and services, health and safety impacts are assessed.

#### 4.3.2. Excellence in Commercial Service

##### 4.3.2.1. Commercial Service Excellence Plan

For Endesa, customer service excellence is one of the main pillars in its relations with customers. The Company constantly seeks maximum efficiency in the operation of its customer services channels, tools and platforms through innovation and continuous improvement.

To this end, it focuses its efforts on improving the main customer satisfaction indicators, monitoring key indicators to verify the impact on improving Endesa's commercial quality.

##### 4.3.2.1.1. Excellence in Face-to-face and/or Personalised Care

Endesa's commercial service and management is organised according to the customer segment, in order to better adapt to the needs of each of them. In each case:

##### Domestic and Small Business Customer Care and Management (B2C)

In 2023, Endesa will have 11 sales offices in Spain and 2 in Portugal, as well as 239 service points throughout Spain.

PERSONAL CONTACT CENTRES FOR THE GENERAL PUBLIC		
	Service Points	Sales offices
Andalusia-Extremadura	86	3
Aragon	23	1



#### PERSONAL CONTACT CENTRES FOR THE GENERAL PUBLIC

	Service Points	Sales offices
Balearic Islands	17	1
Canary Islands	20	2
Catalonia	54	3
<b>Own territory</b>	<b>200</b>	<b>10</b>
Rest of Spain	39	1
Portugal	0	2
<b>Endesa</b>	<b>239</b>	<b>13</b>

In addition to face-to-face customer service, the appointment and video-call services have been promoted, as well as the adaptation of the 11 commercial offices to attend to customers with physical disabilities.

#### Attention and Management of Business Customers - Business to Business (B2B)

This segment includes the most consumed and relevant business customers.

Endesa has a network of highly qualified Business Managers to respond to the most important and relevant business customers. This network is organized by volume of energy demand and geographical distribution (with presence in Spain, Portugal, France and Germany). This provides a personalised response to the demanding needs of customers, by studying their energy requirements and trying to anticipate them, offering them tailor-made products, advising them and assisting them in their decisions.

In addition to personal contact, greater coverage is offered in the form of Call Centres and Digital Web Services.

##### 4.3.2.1.2. Excellence in Telephone Service

Despite the increase in the digitalisation of customers, telephone customer service continues to be one of the main channels of contact with Endesa, reaching 16.1 million interactions in Spain and 1.7 million calls in Portugal in 2023. Customers opt for telephone communication mainly in relation to the commercial cycle, with 53% of customers contacting us to deal with invoicing and payment issues, and 29% to deal with contracting issues, either for new services or existing contracts.

A minority of calls are handled due to unavailability of supply.

In this context, progress continues to be made in telephone service with the incorporation of Artificial Intelligence (AI) systems, achieving more than 2 million interactions without the need for human intervention and allowing more customer calls to be covered.

Endesa received the awards for Best Technological Innovation Project and Best Omnichannel Project at the Customer Relationship Excellence Awards 2023.

These awards, granted by the Spanish Association of Customer Relationship Experts, distinguish the companies with the greatest customer orientation, highlighting their best practices in relation to their customers.

##### 4.3.2.1.3. Online and Digital Service

The progress made years ago towards contact digitalisation and Endesa customer service was maintained in 2023. The main channels for online customer service are:

- In Spain, Endesa's commercial website ([www.endesa.com](http://www.endesa.com)) and the App for customers, channels that have more than 2.67 million users and more than 76 million interactions.

- In Portugal, there is a commercial website ([www.endesa.pt](http://www.endesa.pt)) with almost 265,000 registered customers.

In the case of the regulated market distributor Energía XXI, it provides service to 1 million customers via the website ([www.energiaxxi.com](http://www.energiaxxi.com)) and the App, the latter being the main channel for connecting with these customers.

The advance in online service also makes it possible to continue with the progress of electronic invoices, which already account for 52% of the total number of invoices issued, avoiding the impacts associated with printing them on paper and sending them to customers' homes.

Regarding Endesa X, the consolidation of its digital channels, both websites and social networks, continues. In terms of websites, there was an increase in the volume of visits to [endesax.com](http://endesax.com) and [endesaxstore.com](http://endesaxstore.com) (over 2.5 million), mainly due to investment in the dissemination and marketing of electrification and decarbonisation products and services for the company's customers.

As for the content generated, 250 stories (informative articles with an educational nature) were published on [endesax.com](http://endesax.com) and more than 144 press releases with the company's news.

Endesa X's social channels continue with the positive trend in terms of the growth of followers in its community (LinkedIn +12.4%, Facebook +3% and Instagram +22%), maintaining the pace of communication with more than 320 publications in 2023.

#### **4.3.2.2. Removing Barriers to Access to Information for Vulnerable Customers**

Endesa strives to overcome possible barriers, whether physical, social or language, both with the information about its products and services and in its service channels, as summarised below.

- Endesa's websites ([www.endesa.com](http://www.endesa.com) and [www.energiaxxi.com](http://www.energiaxxi.com)), as well as its social networks and digital channels, guarantee communication in Spanish, Catalan and English. Digital web channels have the means and supports to guarantee access to customer services for people with disabilities or who are of an advanced age.
- Furthermore, all commercial and informative communications ENDESA sends to its customers in Spain, including bills and leaflets, can be produced in Spanish and Catalan.
- Since 2019, Endesa has adapted its websites to comply with the AA tier of the WCAG (Web Content Accessibility Guidelines) of the W3C (World Wide Web Consortium), meaning they can be used by all types of users, including those with some form of disability. This AA accessibility certificate has been issued by AENOR.
- The over-the-phone service provide assistance in both Spanish and Catalan indistinctly. For those customers who cannot communicate in these languages, there is a specialized service that takes calls in English, with an exclusive phone number, and whose target audience is mainly customers residing abroad.
- Endesa has also set up a telephone service accessible to customers with hearing or speech disabilities, enabling communication with an agent via the Pedius app, allowing them to enquire about their bill, contract or receive personalised information.

#### **4.3.2.3. Resolution of Customer Complaints**

##### **418-1/3-3 Customer Privacy Management Approach**

A key strategic objective at Endesa is the effective and objective management of customer complaints. Its main tasks consist of:

- Ensure customer satisfaction in the management of their complaints.
- Detect the causes that affect and/or have a negative impact on usual commercial activities.

- Define the measures to resolve them and specify the improvements to management systems.
- Manage all complaints received via service channels, including social media.
- Resolve complaints in the shortest possible time.
- Act as interlocutors with public or private consumer protection entities.
- Prepare the claims reports required from Official Bodies (CNMC).

In 2023, the increased effort of the complaint's teams continued to focus on complaints associated with billing processes, reaching two-thirds of the complaints generated this year. Complaints derived from price changes represent the second type with the greatest weight in generation this year.

Notable milestones in 2023 include:

- The year 2023 started with the impacts of 2022 derived from the incidences in the billing processes (derived from the adaptation of the systems due to regulatory changes).
- In addition, as of March 2023, and as a result of the incidents in the change of Endesa's billing system, there was an increase in complaints regarding billing processes, and to a lesser extent regarding collection processes.
- Intensive work is being done to reduce the impact on the invoicing of contracts with different initiatives in Endesa's systems, as well as reinforcing advice at the front end to minimise the impact of these incidents.

In terms of volumes, complaints from Endesa customers in Spain and Portugal corresponding to the supplier Endesa (Regulated Market + Free Market) reached approximately 350,000, with the following detailed distribution by customer type and market type:

COMMERCIAL COMPLAINTS <sup>1</sup> (NUMBER)		20211	20222	2023	
Spain (B2B + B2C)	Free Market (Endesa Energía)	Generated	313,268	222,090	<b>285,572</b>
		Closed	305,815	228,249	<b>224,759</b>
	Regulated market (Energía XXI)	Generated	95,780	67,168	<b>54,779</b>
		Closed	89,394	73,262	<b>45,055</b>
Portugal (B2B + B2C)	Mercado Libre (Endesa Energía)	Generated	24,721	17,812	<b>9,698</b>
		Cases closed	25,685	18,160	<b>9,586</b>
Total complaints Spain and Portugal		Generated	433,769	307,070	<b>350,049</b>
		Closed	420,894	319,671	<b>279,400</b>
Average operational resolution time (No. days for resolution by Supplier's teams)		Spain	12.3	20.1	<b>35.0</b>
		Portugal	10.3	7.8	<b>8.9</b>
Average resolution time for the Customer (Total no. days for the customer)		Spain	15.4	28.1	<b>40.2</b>
		Portugal	14.1	10.3	<b>10.7</b>

<sup>1</sup>Corresponding to Electricity and Gas.

<sup>2</sup>The taxonomy of certain categories of "Commercial Complaints" changed in 2022 to conform to common criteria at Enel group level, so the comparison in number with respect to the 2021 and 2020 Report is not exactly equivalent.

A total of 63,409 commercial claims were generated in 2023 in relation to Endesa X services, a decrease of 35.7% compared to 2022.

ENDESA X SPAIN SERVICE COMPLAINTS (NUMBER)		2021	2022	2023
Complaints	Generated	160,915	98,640	<b>63,409</b>
	Closed	152,579	110,439	<b>64,399</b>
Average customer resolution time	Closed	24	18	<b>9.51</b>

#### ENDESA X PORTUGAL COMPLAINTS (NUMBER)

		2021	2022	2023
Total complaints	Generated	1821	1482	740
	Closed	1864	1460	768
Average operational resolution time (No. days for resolution by Supplier's teams)		7.3	7.9	7.8
Average resolution time for the Customer (Total no. days for the customer)		7.4	8	8.1

#### By processes of the Most Involved Services

Dissatisfaction with the activation of the contract (52.02%) continues to be the main cause. The second cause is the Administration of the contracted product (34.85%), followed by the cases of Invoicing and collection, which grew to 12.65%. The cases of Attention received (0.41%) and Personal Information, General Data Protection Regulation (0.06%) are residual.

#### By Management Stage of the Services and Impact on Customer Deadlines

Average complaint resolution times are significantly reduced. The annual average fell from 18 to 9.51 days, consolidating the downward trend of the last three years.

The distribution company receives complaints directly from customers and collaborates in complaints that the supplier derives to process the customer's request.

The volume of complaints received by the distributor in 2023, generated directly by the customer, was 56,629, 25% less than in 2022. The most noteworthy management data during 2023:

#### ENDESA DISTRIBUTION AND DIGITAL NETWORK COMPLAINTS (NUMBER)

		2021	2022	2023
Customer Complaints	Generated	76,125	75,931	56,629
	Closed	73,199	74,625	58,482
Average customer resolution time (days)	Closed	12	18	17
Average operational resolution time (days)	Closed	9	17	16

Over the course of 2023, the timeframe for handling complaints was reduced compared to 2022. Therefore, the average resolution period for customers has been 17 days, with the average operating term being 16 days.

#### 4.3.3. Energy Poverty and Access to Electricity for Vulnerable Customers

##### 3-3 Management Approach Access to Electricity EUSS

#### Energy Poverty

Endesa works and collaborates so that the most vulnerable people and groups have access to energy as a basic and necessary element, with one of the priorities of all the companies of the Endesa Group being to carry out and promote various projects, initiatives and actions.

In the commercial field, the companies dedicated to Endesa Energía, Energía XXI and Endesa X sales collaborate with Organisations, Associations and Social Services to establish agreements that facilitate procedures for people and families in situations of vulnerability and energy poverty, helping them and advising them in the customer service, contracting, billing and collection processes.

In 2023, the previously implemented measures were maintained due to the impact of the war in Ukraine, which resulted in an increase in the price of raw materials, especially gas, which had a direct impact on the price of energy, both gas and electricity.

The regulatory changes to curb the impact of energy prices undertaken in 2022 remained in force throughout 2023, which meant maintaining tax reductions, discounts and groups benefiting from the Social Bonus, as well as automatic renewals and measures such as the Gas Cap.

Endesa continues its efforts to communicate the regulatory changes, providing information on the practical application of these changes and the final impact on the customer's bill. In 2023, up to 312 communication sessions were held with Social Services, regional, provincial, and local bodies, as well as consumer associations.

Endesa keeps updated information on the conditions and documents required to take advantage of the Social Bonus, which is updated on its website and available to consumers and can also be consulted through face-to-face and telephone channels. In addition, it has carried out various media campaigns to inform about the advantages of the Social Bonus and to promote awareness of it and its contracting by beneficiaries.

Endesa maintains the Collaboration Agreements in force with 7 Autonomous Communities (Aragon, Andalusia, Extremadura, Catalonia, Madrid, Castilla y León and Galicia), 2 associations of municipalities (Canary Islands and Balearic Islands), as well as with the Red Cross, providing service and attending to its Social Services. When Social Services identify and prove a need, Endesa puts a stop to the collection processes and possible disconnections due to non-payment until the aid needed to prevent said disconnections is processed, facilitating payment plans and deferrals that allow bills to be paid over a period of up to 24 months.

38,448 requests and 334 queries were handled, with an accumulated outstanding debt of 21,749,462 euros, from vulnerable customers experiencing difficulties paying their bills.

In Portugal, more than 25,379 payment agreements have been managed, amounting to 6.5 million euros of fractional debt in the year. Despite these efforts, more than half of the customers do not comply with the payment. There are currently more than 2,026 payment agreements, whose debt amounts to 0.59 million euros.

### **Electro-dependent Customers**

Electro-dependent people are those who are usually forced to use life-support equipment (breathing apparatus, dialysis, monitoring, etc.).

At Endesa, guaranteeing the energy supply of people for whom energy dependence poses a danger to their health or physical integrity is a priority.

In order for a customer to be considered electro-dependent, and to be identified as such by both the suppliers and the distributors, it is necessary to report it by means of a medical certificate that is valid for a certain period of time.

In 2023, Endesa reinforced the figure of the electro-dependent customer with public bodies, social services and consumer associations, as well as the procedures and documentation required to identify themselves as such.

Endesa prioritises these issues in all its jurisdiction, both in energy distribution (E-Distribution) and through its retail companies Endesa Energía and Energía XXI.

Endesa has action protocols that involve priority and differential treatment to mitigate or reduce the risk to people, and which refer to the activity of reconnecting the supply that has been suspended for any cause or reason.

Electro-dependent customers are identified by both suppliers and distributors, and no voluntary supply disconnections will be made during the time this situation is maintained.

If an electro-dependent customer has no supply, the only reason should be a breakdown, in which case it will be treated as a priority and if it is prolonged, the necessary measures will be taken to avoid putting the health of the affected persons at risk.

In 2023, Endesa has contracts with 1,984 electro-dependent customers (817 in Endesa Energía and 1,167 in Energía XXI), by territory (111 in new markets, 38 in Aragón, 975 in Catalonia, 69 in the Balearic Islands, 632 in Andalusia and Extremadura and 159 in the Canary Islands).

In 2023, 3,859 applications for electro-dependency were made to the retailers, of which 1,181 were activated, 161 were rejected, 2,090 customers did not submit documentation and 427 were cancelled.

This year, 3,596 notifications from electro-dependent customers have been dealt with on the breakdown hotline, of which 3,260 were customers identified as electro-dependent by their suppliers, and 336 customers who claimed to be so, but lacked such identification, and have been urged to contact their supplier.

At Endesa, those customers who are not identified as electro-dependent and who indicate this in the customer service department also receive priority treatment, where the main focus is on restoring supply and then verifying the reason for the disconnection. If they are not electro-dependent customers, they will be told how to proceed in order to be considered electro-dependent.

#### 4.3.3.1. Disconnections due to Non-Payment and Reconnections for Household Customers

##### EU27

Since RDL 37/2020, of 22 December, which limited the ban on electricity and gas supply cuts to vulnerable consumers, and with its successive extensions that mark the end of this ban for 30 June 2024 (included in RDL 8/2023 of 27 December, extending social protection measures to address situations of social and economic vulnerability), the volume of disconnections in the last two years has been much lower than in 2021 and the volumes prior to 2020. Specifically, in 2023 the disconnection levels were 4.1% lower than in 2022.

##### DISCONNECTIONS DUE TO NON-PAYMENT TO DOMESTIC CUSTOMERS

	2021	2022	2023
<b>Disconnected customers</b>	136,320	47,658	<b>45,699</b>

##### DISCONNECTIONS DUE TO NON-PAYMENT INVOLVING HOUSEHOLD CUSTOMERS, BROKEN DOWN BY DURATION AND REGULATORY SYSTEM (NUMBER)

	2021	2022	2023
<b>Customer disconnections lasting less than 48 hours</b>	<b>87,964</b>	<b>30,651</b>	<b>28,167</b>
Customer disconnections lasting less than 48 hours LRT Market	41,713	17,685	14,840
Customer disconnections lasting less than 48 hours Non-LRT Market	46,251	12,966	13,327
<b>Customers disconnected between 48 hours and a week</b>	<b>13,784</b>	<b>4,113</b>	<b>4,222</b>
Customer disconnections lasting 48 hours to 1 week LRT Market	6,828	2,374	2,017
Customers disconnected between 48 hours and a week Non-LRT Market	6,956	1,739	2,205
<b>Customers disconnected between a week and a month</b>	<b>7,523</b>	<b>2,252</b>	<b>3,086</b>
Customer disconnections lasting 1 week to 1 month LRT Market	4,471	1,449	1,249
Customer disconnections lasting 1 week to 1 month Non-LRT Market	3,052	803	1,837

**DISCONNECTIONS DUE TO NON-PAYMENT INVOLVING HOUSEHOLD CUSTOMERS, BROKEN DOWN BY DURATION AND REGULATORY SYSTEM (NUMBER)**

	2021	2022	2023
<b>Customers disconnected between one month and one year</b>	<b>2,282</b>	<b>538</b>	<b>1,102</b>
Customer disconnections lasting 1 month to 1 year LRT Market	2,109	501	556
Customer disconnections lasting 1 month to 1 year Non-LRT Market	173	37	546
<b>Customers disconnected for more than a year</b>	<b>0</b>	<b>0</b>	<b>0</b>
Customer disconnections lasting more than 1 year LRT Market	0	0	0
Customer disconnections lasting more than 1 year Non-LRT Market	0	0	0
<b>Customers reconnected within 24 hours</b>	<b>102,626</b>	<b>35,522</b>	<b>36,071</b>
Customers reconnected within 24 hours LRT Market	51,922	21,387	18,984
Customers reconnected within 24 hours Non-LRT Market	50,704	14,135	17,087
<b>Customers reconnected after 24 hours and less than 1 week</b>	<b>7,468</b>	<b>1,628</b>	<b>2,166</b>
Customers reconnected after 24 hours and less than 1 week LRT Market	2,812	543	651
Customers reconnected after 24 hours and less than 1 week Non-LRT Market	4,656	1,085	1,515
<b>Customers reconnected after more than 1 week</b>	<b>352</b>	<b>362</b>	<b>660</b>
Customers reconnected after more than 1 week LRT Market	184	72	175
Customers reconnected after more than 1 week Non-LRT Market	168	290	485

#### 4.3.4. Responsibility and Customer Satisfaction

##### 4.3.4.1. Responsibility for Information and Portfolio of Products And Services

###### 3-3 Marketing and Labelling Management Approach /3-3 Provision of information EUSS

Endesa customers have the right to be informed about the characteristics of the products and services they consume. The company complies with regulatory requirements regarding the information provided to customers at all stages of the commercial cycle. These regulations cover the following issues:

- When a supply contract is signed or amended, customers must be informed about the different tariffs available and the power rating most suited to their needs.
- When there are power outages due to scheduled work on the network, customers and the general public are notified well in advance.
- When cutting a <10 kW customer's power supply on account of the non-payment of a bill, all the payment requirements established by current regulations are satisfied prior to doing so, including providing notice 15 days before the cutting the power supply, providing details of the date from which it will take effect. These non-payment shutdowns are only carried out if the company has evidence of this fact. Under no circumstances can power supplies be cut for the non-payment of bills involving customers considered "essential" under the regulations.
- There are other times when deadlines are defined for reporting, both when giving quotes for new supplies and when managing customer complaints.

With regard to the deregulated market, Endesa systematically complies with the obligation to report on the origin of electricity in the bill.

Additionally, Endesa goes beyond the legal requirements to achieve excellence in the exercise of informing customers, developing various initiatives in this regard:

- A unit has been operating for years to manage relations with consumer associations and public bodies. Through regular meetings and participation in consumer forums, Endesa compares the main concerns of consumer groups and regularly transmits the improvement measures it always adopts in terms of consumption.
- Customer support information: Endesa has implemented communication flows with customers adapted to their needs and at the time of their relationship with the company's processes. For example, when the customer contracts with Endesa, they are welcomed to the company through a series of communications that inform them of the status of their application and registration with our company. They are also offered information about the product and the promotions they took out, as well as being sent a communication explaining the first bill and the accompaniment until they receive it.
- Background information that may be of interest to you: Endesa has a free Infoenergía service, accessible to all free market customers from their private Endesa customer area. In this digital space, customers can find information of interest related to their electricity supply, as well as tips and recommendations with which they can improve their efficiency, optimise the contracted power, change to a recommended product according to their consumption habits, and in general, save on their electricity bill. In addition, Endesa carries out proactive communications whenever it is considered that the customer may require additional information. For example, in recent years there was a lot of uncertainty in the market regarding the energy price and regulatory changes, and Endesa made several communications on the short-term aspects of the electricity and gas markets that could affect it or on its possible impact on customers' bills.

#### 4.3.4.2. Customer Satisfaction

##### 3-3 Marketing and Labelling Management Approach /2-29

The customer occupies the central place of Endesa's business model, and therefore the measurement of the Customer Experience is essential.

With this mission, all segments, products, channels, services and processes are measured through appropriate tools and methodologies to be able to perform this function, such as:

- **Comprehensive vision:** The integration of the different customer journeys with Endesa offers greater robustness between the customer's contacts (proactive or reactive) and the experience. The customer is less burdened by reducing the number of contacts made and what is really to be valued is better contextualised. In addition, more customizable and fluid communication channels have been created, which allow possible dissatisfaction to be better managed.
- **Traceability of records:** This is a crucial matter to know the trajectory of the cases and understand the concerns of the consumer. More than 200 million records were managed in Spain to come to a number of interviews with adequate representation in all relevant biases (population, geographical, tariff, supply, marketing, etc.), harnessing Big Data tools and environments. At the same time, this traceability of customers has made it possible to create timelines to always know their state of satisfaction and with respect to the actions that are being implemented.
- **Automation:** It is another component that has made it possible to detect customer interactions in real time and have an impact on the customer at that precise moment (with automatic "triggers"). In this way, the assessment is obtained at the exact moment you want to measure it, avoiding that time could dilute the customer's perception.
- **Homogeneity:** Special attention in the unification with ENEL's global model, actively participating with our experience in its definition. The track record and long history of the UM (Universal Measurement) project has made it possible to improve the efficiency of the project by taking into account the success stories.



- **New technologies:** Application of **Machine Learning** technology to identify patterns and classify responses by dynamising categorisation; and also, to analyse the voice of the customer to better understand the casuistry that affects them and to identify the root causes of the main problems.
- The main methodology used to find out the level of customer satisfaction is interviews through digital channels, including social networks. This responds to the technological transformation, both of the company and of society as a whole.

Endesa maintains its **leadership** position in mass customer satisfaction in the electricity sector, improving significantly in 2023 in the main areas. In terms of assessing the quality of supply, Endesa is ahead of its competitors.

**CUSTOMER SATISFACTION INDEX (B2C ELECTRICITY DEREGULATED MARKET)<sup>1</sup>**

	2021	2022	2023
Customer Satisfaction Index	7.2	7.4	7.6

<sup>1</sup>Generic SCP Study (Commercial Quality Endesa Energía).

Overall, high customer satisfaction scores were maintained in 2023 with significant improvements in the vast majority of attributes. We highlight the following chapters as the most relevant:

**For Domestic Customers (B2C)**

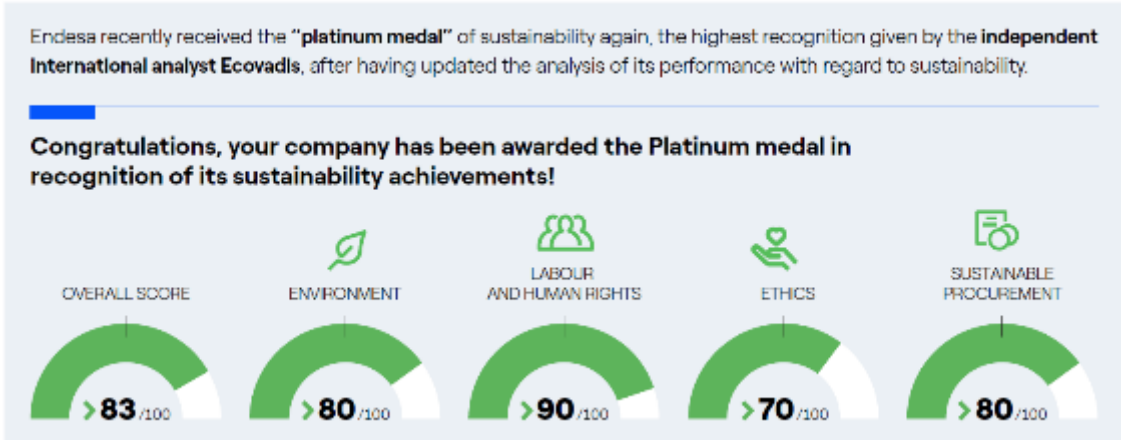
- Globally, the B2C customer satisfaction index has risen to 7.6.
- The main dimensions and added value:
  - Electricity Supply (score of 8.40 in 2023) and Commercial Cycle operations (7.58) scored the highest.
  - Advice and Price rebounded with an increase in value delivered by customers of 6% and 11% respectively.
- Customer loyalty achieved an NPS (Net Promoter Score) of 15, an increase of 5 percentage points year-on-year.

Endesa X continues to focus on providing the best experience to its customers. The Voice Programme rolled out in 2019, which involves residential customers being surveyed at times of truth in the customer journey, allows us to ascertain their satisfaction with the products and services supplied.

**In Business Customers (B2B)**

Globally, an upward trend has been detected in the main satisfaction indicators of these customisable (non-mass) customers, with Supply standing out.

Endesa recently renewed its "**platinum medal**" in sustainability, the highest distinction awarded by the independent international analyst **Ecovadis**, following a new update of the analysis of its performance in this sustainability area.



During the year, more than 800.000 satisfaction surveys were sent to the residential customer, mainly through digital channels, with an average response rate of 8%.

Considering only maintenance and repair services, as well as home equipment installations (boilers, air conditioning, solar photovoltaic installations, etc.), customer satisfaction was 4.6 on a scale of 1 to 5, an improvement of +2% compared to the previous year, a rating that attests to the high level of quality in the delivery of services.

**ENDESA X CUSTOMER SATISFACTION INDEX FOR MAINTENANCE, REPAIR AND INSTALLATION SERVICES**

	2021	2022	2023
Customer satisfaction index*	4.5	4.5	4.6

\*New scale in use from 1 to 5 in 2023. Data from previous years have been adjusted to the new scale

**4.3.4.2.1. Operational Management of Customer Satisfaction and Experience**

At an operational level, the main pillars for the management of Endesa Energía Customer Satisfaction and Experience in 2023 are summarised below, in addition to a number of the key results obtained.

**Customer Experience - in the interaction with the Service and Sales Channels**

Overall, the level of service to domestic, business and Endesa Portugal customers was rated very highly.

- Domestic customers increase their satisfaction with the telephone channel by 3%. All measured channel indicators improve significantly.
- The telephone channel for business customers rebounded 6% year-on-year.
- Portugal: Improvement in satisfaction with Treatment and Interest in all channels in 2023 compared to 2022, closing the year with the following ratings:

**CUSTOMER EXPERIENCE - IN THE INTERACTION WITH SERVICE AND SALES CHANNELS**

Domestic customers (B2C)	Offline service channels	Call centres: 8.31 Face-to-face service: ➤ Offices: 8.88 ➤ Service Points: 8.93
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	Face-to-face channels	<b>Treatment:</b> > OCAP1: 9.08 > PdS2: 9.14 <b>Order of Establishment:</b> > OCAP1: 9.16 > PdS2: 9.04 <b>Management during the visit:</b> > OCAP1: 92% > PdS2: 94%
	Telephone Channel	<b>Call management:</b> 89% <b>Treatment provided:</b> 8.74 <b>Staff knowledge:</b> 8.42 <b>Waiting times:</b> 7.31 <b>Ease of contact:</b> 8.11
<b>Enterprise (B2B) customers</b>		<b>Call centres:</b> 7.73 > Personal treatment: 8.46 > Knowledge of the interlocutor: 8.18 > Call Management: 82%
	Service and sales channels	Lojas channel: 8.94 > Treatment and Interest: 9.23
<b>Endesa customers in Portugal</b>	Other Channels	Taskforce: 8.72 > Treatment and Interest: 8.87 Telesales: 8.77 > Treatment and Interest: 9.10 Web Channel: 7.60 Telephone Channel: 7.30 > Treatment and Interest: 7.80

<sup>1</sup> Offices

<sup>2</sup> Service points

## Customer Experience – in Interaction with Business and Operational Processes

- The processes measured for B2C customers across the board are a significant improvement on those measured for 2022.
- At the top of the list was the process of Registrations (8.82 out of 10) and Contract Modifications (8.45 out of 10). The request for information stands out, which increases the indicator by 13% (2023: 8.04). The complaints process is recovering, reaching a year-end rating of 4.50.
- At a more detailed level, the New Contracts process improves all its indicators. We highlight the ease of carrying out the management (96% indicate ease in the process) and the information on the procedures (8.79 out of 10, improving by 4%). In Modifications, the evaluation of the time elapsed between the request and the actual change stands out (8.54 out of 10).
- In the process of handling complaints, customers value compliance with steps and deadlines positively. By the end of the year, customers improved their assessment of the clarity of information and satisfaction with the resolution.

### Endesa Customers in Portugal

- Improvement in the contracting and invoicing processes, closing the month of December with the following assessments:

#### ENDESA CUSTOMERS IN PORTUGAL

Hiring Process	<b>8.79</b>
Billing Process	<b>7.75</b>

- Improvement in overall satisfaction with the website in 2023, with a score of 7.60 compared to 7.51 in 2022.

## 4.3.5. Energy Solutions

### 4.3.5.1. Products and Services

#### 302-5

The company is staying ahead of the game by developing innovative products and solutions in fields where energy is currently making the greatest transformations possible: City, housing, industry and electric mobility.

From the outset, Endesa was committed to placing sustainability at the heart of its model, with the aim of creating an ecosystem capable of making the best possible use of the opportunities offered by digitalisation, to create more social, environmental and economic value for all. This goal is reflected every day as part of a platform-based model that enables consumers to actively participate in energy markets and reduce system costs by maximising the impact of innovation.

In the area of electrification, it is worth highlighting the development of a new commercial activity related to the energy refurbishment of buildings through a new company called *Smart Community Service*.

*Smart Community Service* comes about from the alliance formed by OHLA and Endesa X and its objective is to make the Homeowners' Associations more energy efficient by offering them a "turnkey" solution that includes the design, the construction of the works and the provision of efficient technology, as well as the processing of subsidies and facilitating access to aid from the European *Next Generation* recovery funds.

The Technical Project prepared by *Smart Community Service* is focused on obtaining maximum energy efficiency. Among the solutions that are adapted to each case, two types of actions stand out: those focused on the energy equipment of the building and those focused on the building envelope. Depending on the measures taken, savings of 30% to more than 60% of non-renewable primary energy consumption can be achieved.

#### 4.3.5.1.1. Actions on Public Administration Customers (B2G, Business to Government)

In the urban sphere, through this business unit, Endesa X addresses the technological convergence driven by digitalisation that leads to the creation of cities equipped with intelligent systems and more energy-efficient equipment capable of ensuring more sustainable, economical and personalised services according to the demands of citizens.

Notable actions during 2023, on issues related to street lighting and electric buses:

#### MAIN ACTIONS RELATED TO PUBLIC ADMINISTRATION (B2G)

<b>Street lighting in Santiago de Compostela</b>	<p>Endesa X was awarded the tender to renew the public lighting in Santiago de Compostela in a joint venture with Ferrovial. The ten-year contract involves replacing 30,000 streetlights with LEDs, upgrading control centres and other installations.</p> <p>The new technology improves the quality of light, enhances the beauty of the World Heritage city and reduces electricity consumption by 60%. The project also includes a comprehensive management platform and the implementation of a 5G system to improve efficiency and incident resolution.</p>
<b>eBUS: EMT Málaga</b>	<p>Endesa X and EMT Málaga are collaborating on a project to install 40 electric bus chargers in the city. The contract, awarded to Endesa X, includes a sectioning, protection and measurement centre, four transformer stations, and the medium and low voltage electrical infrastructure to supply the chargers. The total power will be 7.2 MW, which is equivalent to 40 180 kW chargers. These will be equipped with a recharge management system, offering manual and automated options by means of an inverted pantograph. The infrastructure will make it possible to recharge a bus battery in less than four hours, covering up to 250 kilometres, depending on the vehicle's power and initial charge level.</p>

#### 4.3.5.1.2. Actions with Regard to Business and Industrial Customers (B2B Approach, Business to Business)

**E-Industries:** This line is presented as a benchmark energy partner in Spain for companies to advise, guide and help them in the decarbonisation process, enabling them to make sustainable progress by using energy more efficiently, increasing the competitiveness of their businesses and reducing the cost of their energy bill. This is achieved using solutions such as energy advice for decarbonisation, solar power self-consumption, efficient climate systems, monitoring systems and management of energy consumption, as well as all the energy infrastructure needed to undertake electrification actions.

##### MAIN ACTIONS RELATED TO BUSINESS AND INDUSTRIAL (B2B) CUSTOMERS

<b>Endesa X designs a heat recovery system for Showa Denko that will achieve savings of up to 70% in gas and electricity.</b>	Endesa X has developed a heat recovery system for Showa Denko's plant in A Grela, Spain, achieving savings of up to 70% in gas and 30% in electricity. The project, awarded with a Galicia Energy Award, takes advantage of the thermal energy lost during the firing of graphite electrodes. This approach contributes to decarbonisation by reducing primary energy consumption, reducing pollutant emissions and avoiding the emission of more than 2,772 tonnes of CO <sub>2</sub> per year. Endesa X has automated the system to work autonomously, improving the plant's energy efficiency and supporting the decarbonisation commitments of both companies.
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#### 4.3.5.1.3. Actions Relating to Homes and Small Businesses (B2C Approach, Business to Customer)

B2C aims to improve the energy efficiency of the end customer, offering residential consumers home management products and services to create a sustainable ecosystem through connectivity, energy optimisation and savings. The B2C equipment product portfolio consists of heating and air conditioning solutions for the home. In addition, there is a wide range of self-produced energy solutions.

B2C continues to innovate in new solutions that add value to the customer and help achieve a more sustainable future.

##### MAIN ACTIONS RELATED TO HOUSEHOLDS AND SMALL BUSINESSES (B2C)

<b>Aerothermal energy</b>	During 2023, the sales and installation capacity of this product has been deployed in certain regions of Spain. The aim is to continue deploying capacity throughout 2024, as it is the key home energy system to achieve efficiency targets in the coming years.
<b>Customer Focus</b>	In 2023, the B2C team developed two projects aimed at optimising the service provided to the customer. <ul style="list-style-type: none"><li>➤ Residential gas/lighting maintenance, the management of urgent Work Orders was improved by automating the process.</li><li>➤ The use of Speech Analytics and Text Analytics, with Artificial Intelligence technology, allows us to analyse in detail the service received, as well as the quality perceived by our customers, which makes it easier to implement corrective levers and identify best practices.</li></ul>

#### 4.3.5.1.4. Electric Mobility

Endesa, as part of its commitment to the fight against climate change, is committed to the electric vehicle as a key tool in the promotion of more sustainable mobility, being one of the main vectors that lead to an energy transition. To accompany the growth in the use of electric vehicle, private and public charging stations are being installed in shopping centres, car parks, hotel chains, service areas and on public roads, providing greater coverage in the charging infrastructure to urban areas and major strategic communication hubs, both on the mainland and on Spanish islands.

In fact, Endesa's commitment to sustainable mobility begins with the electrification of its fleets, as well as promoting this among its own employees. This has been successfully promoted since 2015 with pioneering initiatives such as the launch of an Employee Electric Mobility Plan, which helped to promote the use of electric vehicles among employees.

The expansion of electric mobility among society also presents a great opportunity for Endesa, as it carries out different initiatives to promote its development in three complementary directions with a 360° vision:

- Promotion and dissemination amongst the population.
- Technological development with a focus on continuous improvement and R&D in its services to end users, whether they be individuals or companies.
- The definition of a robust, dynamic commercial offer that is always adapted to the needs of all its customers.

#### 4.3.5.1.4.1. Promotion of the Electrification of Transport for Both Employees and Fleets

Type of programme	Description	2022 Milestones	2023 Milestones
<b>Boosting electrification of the operational commercial fleet</b>	<p>For years, Endesa has been working to promote and boost the sustainable mobility of its operational and commercial fleet.</p> <p>In addition, measures have been taken to optimise the fleet by reducing the number of combustion vehicles, and electrification is being promoted through the introduction of hybrid, plug-in hybrid and electric models.</p>	<ul style="list-style-type: none"> <li>➤ The sustainable fleet, with 849 vehicles, accounts for 47% of the fleet (111 hybrids, 566 plug-in hybrids and 172 electric vehicles).</li> <li>➤ The combustion fleet represents 53% of the fleet with 970 vehicles.</li> </ul>	<ul style="list-style-type: none"> <li>➤ The sustainable fleet, with 881 vehicles, accounts for 52% of the fleet (108 hybrids, 605 plug-in hybrids and 168 electrics).</li> <li>➤ The combustion fleet, with 827 vehicles, accounts for 48% of the fleet.</li> </ul>
<b>Promoting electrification of the managers fleet</b>	<p>Endesa, within the framework of the e-Movement, has a plan to electrify the fleet of vehicles used by its managers.</p> <p>To encourage managers to choose this type of model, the company has increased the renting fee they receive and has installed charging infrastructure at its headquarters. Should the manager choose to have a traditional combustion vehicle, the company restricts their CO<sub>2</sub> emissions, with limits that are stricter than those required under the European guidelines.</p>	<ul style="list-style-type: none"> <li>➤ It accounts for 11% of the total fleet with 221 vehicles.</li> <li>➤ 17% electric and 75% plug-in hybrids.</li> </ul>	<ul style="list-style-type: none"> <li>➤ It accounts for 12% of the total fleet with 233 vehicles.</li> <li>➤ 20% electric and 78% plug-in hybrids.</li> <li>➤ Average vehicle emissions of 34.51 g CO<sub>2</sub>/km.</li> </ul>
<b>Car sharing service</b>	<p>This consists of a pool of electric vehicles at the main headquarters for use by employees for work-related purposes with a view to promoting their use,</p>	<ul style="list-style-type: none"> <li>➤ The service is provided with 5 electric vehicles at the headquarters in Madrid, Barcelona and Seville.</li> </ul>	<ul style="list-style-type: none"> <li>➤ In 2023, the vehicles had travelled some 31,480 km and more than 430,000 km since the launch of the service in 2016.</li> </ul>

Type of programme	Description	2022 Milestones	2023 Milestones
	contributing to fuel savings and reducing emissions.	➤ In 2022, more than 19,000 km were travelled.	
<b>2-Wheel Mobility Service</b>	This is a <i>pool</i> of electric bicycles and electric scooters available to employees at the main headquarters for work-related purposes and to promote the use of this type of alternative mobility.	➤ From its launch in 2019 until its suspension in 2020 due to the pandemic, more than 25,500 km have been covered by bicycle and more than 8,500 by scooter.	➤ In 2023, work was carried out to reactivate the service to proceed with its start-up in 2024.
<b>Corporate Shared Taxi Service</b>	The comprehensive management of corporate transport by taxi, with a view to reducing emissions, contributing to sustainable and safe mobility and increasing the digitalisation and traceability of the service, prioritising shared journeys between users, also taken using environmentally-friendly taxis.	<ul style="list-style-type: none"> <li>➤ 72% of the kilometres travelled with ECO vehicles.</li> <li>➤ 38% of passengers have shared the journey.</li> </ul>	<ul style="list-style-type: none"> <li>➤ 74% of the kilometres travelled with ECO vehicles.</li> <li>➤ 35% of passengers have shared the journey.</li> </ul>
<b>Electrification of parking areas</b>	Reinforcement of the charging infrastructure at Endesa's administrative offices for the electric vehicles in its fleet.	➤ 886 charging stations installed.	➤ 1,175 charging stations installed.

#### 4.3.5.1.4.2. Electric Mobility Offer

Endesa has been committed to electric mobility since 2011 as one of the main ways to combat climate change and promotes electric mobility as its main instrument to facilitate a zero-emission energy model.

Through Endesa X Way, Endesa is developing and marketing electric mobility solutions and services for residential, industrial, commercial and public administration customers, playing an active role in this segment, positioning itself as the sector leader in electric mobility.

More information can be found on the company's website: <https://endesaxway.com/content/enel-x-way/es/es/home.html>.

#### CHARGING STATIONS MANAGED BY ENDESA X

	2022	2023
<b>TOTAL, Public and Private</b>	13,898	19,252

### Public Charging

During 2023, Endesa has continued with the plan to deploy public charging infrastructure in Spain, whose objective continues to be to make it easier for any electric vehicle to travel anywhere in Spain in the short term, by installing new publicly accessible charging stations in different types of shops and incorporating ultra-fast technology that continues to grow.

Endesa continues to have one of the most extensive charging networks in the country, with more than 5,500 charging stations installed, and also one of the most powerful: 40% of chargers offer fast or ultra-fast charging (direct current of more than 50 kW), compared to an average of 15/20% for all charging stations across Spain. The 150 and 350 kW ultrafast chargers, which already total more than 600 charging stations, are located in different locations in key points throughout Spain for the user.

### Private Charging

In addition, Endesa continues to market electric mobility services and solutions for the deployment of electric vehicle charging at a private level for residential, business and commercial customers, as well as for public administrations. The main differential point of this infrastructure deployment is that it is connected to the management platform of the charging stations, which makes it possible to remotely control and provide assistance to all the company's own equipment.

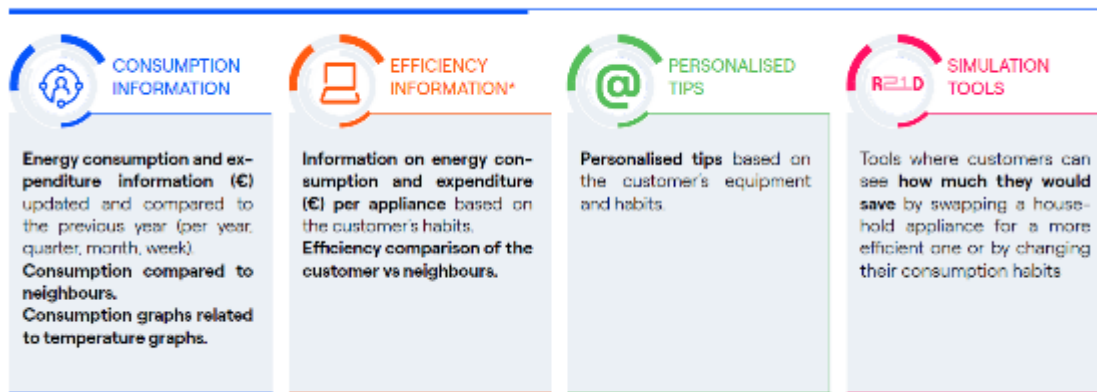
#### 4.3.5.2. Raising Customer Awareness of Energy Efficiency

The customer's energy efficiency is part of Endesa's DNA; it represents an essential feature of its value proposal and a guide for constant communication with its customers. Endesa supports this efficiency with a philosophy of "achieving more with less", helping them to consume less energy, with the benefits that this provides in terms of the corresponding savings, sustainability and applied innovation.

#### Assessment and Raising Awareness of Residential Customers with Regard to the Efficient Use of Energy.

Endesa continuously carries out communication and promotion actions to raise awareness about the efficient use of energy. Examples of these product and service lines are:

##### WHAT INFORMATION DOES INFOENERGÍA PROVIDE?



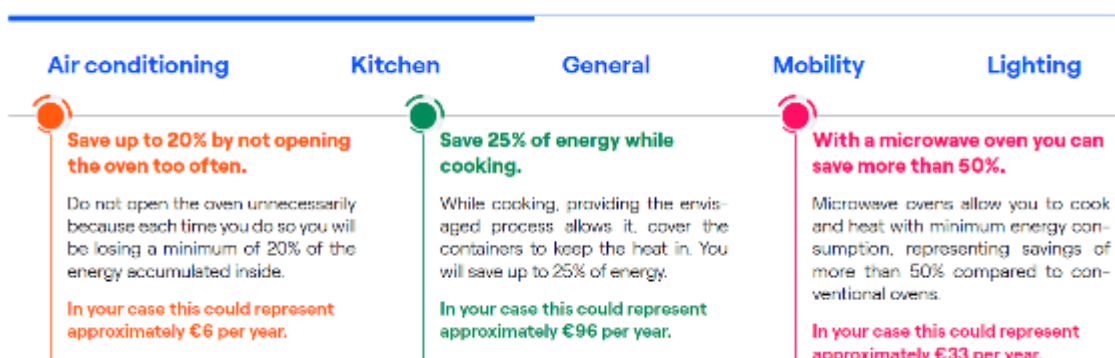
\* Information only available by entering the equipment profile under the Efficiency tab in InfoEnergía.

- **Info energía:** is a free information and advice service for customers to control, manage and obtain benefits and discounts according to the efficient consumption of electricity in their homes, supported by a digital and easily customizable service.
- **Energy efficiency diagnosis:** It is a free online assessment service exclusively for small businesses. Through the website of the online energy efficiency diagnostic service, the business can evaluate its energy efficiency and receive improvement measures to optimize the consumption of its installation and machinery and, therefore, reduce its energy bill.
- **Tips and guidelines for efficiency,** 2 types:



- Tips on the invoice: reserved space on the front where you are given tips on how to save energy and protect your facilities.
- Tips for saving: on the endesaclientes.com website, where specific communications and recommendations are customised during the first year of the contract in the form of brochures, guides, etc.
- **Self-consumption and efficient electrification programmes:** With the aim of advancing towards more efficient and sustainable energy use, Endesa is working to promote self-consumption and the electrification of demand. Its efforts have focused on:
  - Assist customers who request it in the installation of solar panels in their homes, through online tools that facilitate the analysis of their needs, the investment required and the estimated savings on their bill. Customers are also supported throughout the installation process with the necessary procedures and management.
  - Develop a family of "solar tariffs" that allow you to make the most of the possibilities offered by self-consumption.
  - Promote "electrification", that is, the replacement of applications based on fossil energies with more efficient ones that use electricity, thus reducing total consumption and CO<sub>2</sub> emissions. For example, with the replacement of heating and hot water from gas or fuel oil boilers with athermal systems, induction hobs instead of gas or heat pumps for air-conditioning in homes.

#### TIPS TO IMPROVE EFFICIENCY



#### 4.3.5.3. Security Measures in Products and Services to Customers

##### 3-3 Customers Health and Safety Management Approach /3-3 Customers Health and Safety EUSS /416-1

As part of the work undertaken at customer installations, Endesa always employs someone to coordinate safety and health or preventive resources, who ensures the job is done correctly from a safety perspective, as well as making on-site Health and Safety Inspections for the purposes of verification.

These inspections are made both by staff in each line of business, as well as by the Joint Prevention Service (SPM in Spanish) and third parties recruited for this purpose, monitoring all preventive activities addressed in the training sessions imparted to the different lines of business, as well as on the Health and Safety Committee and Participation Committee, the highest body in the field of prevention at Endesa.

This effort is rewarded with the ISO 45001 certification to Endesa's Health and Safety Management System for the sale, installation and maintenance of value added products and

services linked to the supply of electricity, telecommunications, thermal installations, gas and/or domestic hot water, and installations for electric vehicle charging, maintenance and repair of on-site technical services linked to the supply of electricity and gas, and the sale, installation, maintenance and repairs of products and services intended for residential customers.

## **4.4. GROWTH ACCELERATORS**

**4.4.1. Digitalization.**

**4.4.2. Innovation.**


**4.4.3. Circular Economy.**

**4.4.4. Our Commitment to Sustainable Finance.**

#### 4.4.1. Digitalization

Material Topics	Plan	SDGs
Digital Transformation	 Growth accelerators • Digitalization	 

The objectives of the Sustainability Plan (ESP) 2024-2026 and the closure of these indicators are shown below.

SDGs	Activities	Units	2022	2023	ESP Objectives 2024-2026	
					2024	2026
	Investment in quality, resilience and digitalisation of grids assets.	Million euros invested	415.7	375.6	> 800 million euros in the 2024-2026 period	

#### Objectives



New



Redefined Goal

#### Actions to highlight

1. In 2023, Endesa has completed the ZEUS transformation programme to improve the user experience in personal work environments, introducing advanced analytics solutions and virtual assistants.
2. In 2023, the Seville and Badajoz offices have been transformed, with some 3,550 people working in Open Work mode, representing 48% of Endesa's office workforce.
3. In the last four months of 2023, Endesa launched its "AI Horizons" program to research and disseminate AI applications in the field of maintenance and management of generation assets, with the aim of facilitating the energy transition by contributing to the United Nations Sustainable Development Goals.

The scope of the information provided in this chapter covers both Endesa, S.A. and its investee companies in Spain and Portugal, the same as in the reports in the Legal Documentation. For further information, see sections 2.1.2.6. *Organisational Structure* and 2. *Report Coverage (ANNEX I: Methodology for preparing the report)*. Possible variations to the scope described here are presented throughout the chapter.

##### 4.4.1.1. Digitalisation as a Driver of the Energy Transition

Endesa is investing in digital transformation to become an organisation that is fully connected to the digital ecosystem, automating tasks and achieving the smart, agile optimisation of customer-centred efficiency. The integration of new digital technologies allows the interconnection between people and objects and facilitates access to both traditional and innovative products and services.

The promotion of digitalisation in Endesa's different business lines acts as an engine to accelerate energy transition.

New digital technologies make it possible to integrate services such as real-time monitoring and controlling of energy production and consumption, which will allow access to adjust supply and

demand in a more efficient way. This is in addition to the integration of renewable energy sources, which will lead to greater diversification and optimization of the electricity infrastructure, reducing costs, improving efficiency and becoming a key element in guaranteeing the success of the new sustainable energy model based on electrification with renewable sources and efficiency.

Endesa is well aware of this reality and the opportunities it poses and, therefore, digital transformation is an essential part of its Sustainability Plan. The Plan's strategic lines of action are combined with Endesa's strong commitment to the search for continuous efficiency through the digitalisation of its businesses. The most significant investment will be in Distribution, with over 800 million euros allocated to the quality, resilience and digitalisation of grids assets, accounting for more than 65% of the investments proposed during this period.

In addition, this intense digitalisation process entails an increase in the risks associated with digitalisation (cyberattacks, misuse of private data, etc.), which is why Endesa is also intensifying its preventive activities aimed at mitigating these risks.

	2021	2022	2023
Generation	16.2	20.5	21.6
Distribution	377.4	415.7	375.6
Retail	46.8	52.7	70.9
Endesa X	15.7	31.1	40.5
<b>Total</b>	<b>456.1</b>	<b>520.0</b>	<b>508.6</b>

## The Company's Assets

Endesa is making significant growth investments aimed at modernising and developing new infrastructures that respond to the decarbonisation and electrification trends of the economy. Digitalisation initiatives will enable us to continue to increase the automation and digitalisation of the grid. With three clear objectives:

- Strengthen security of supply by improving the quality of service in its networks.
- To meet the growing demand of future customers linked to distributed renewable generation and electric vehicle charging.
- Cooperate in the modernisation of the electricity system with the aim of contributing to the necessary energy transition.

In electricity generation plants, Endesa is increasing its efforts to undertake the digitisation of the management of its generation facilities in order to increase the plants' operating efficiency and improve their integration into the electricity system.

## The Client

Consumers' access to new technologies, their adoption and mass use have completely transformed customers. This adoption leads to new habits and customs on the part of consumers in their personal and professional lives, and, of course, in their relationships with companies. Most of them are already or will become digital, connected and social customers.

Within this context, Endesa is developing new IT tools that favour the digitalisation of customers, as well as the development of new service and customer care channels and other products and services.

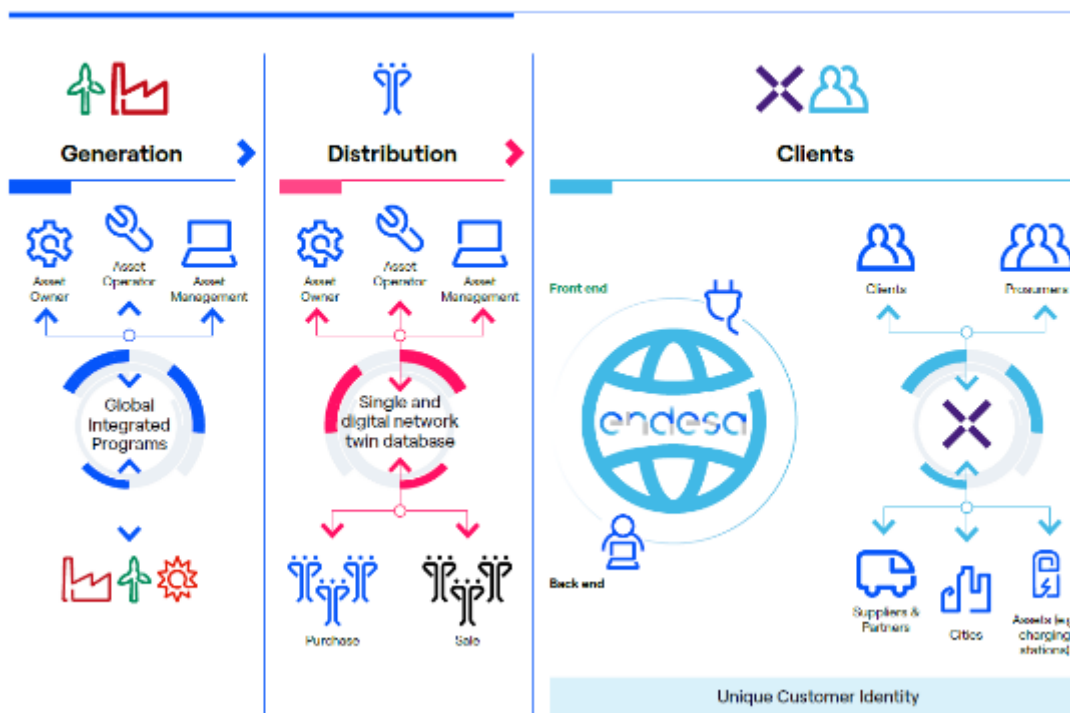
## People

Considering that digital transformation means that the company must adapt its value proposition to the new digital customer and adopt new technologies throughout its value chain, one of the great challenges for the company is the transformation of the business culture, so that it allows

the leadership style to evolve and develop the technical competencies and skills necessary to successfully lead this transformation. In this regard, Endesa is working in different areas to promote a change in the company's organisational culture and way of doing things.

At the same time, the digital transformation that Endesa is undertaking also includes the improvement of data management processes, which incorporates, among other aspects, the use of the latest data storage technologies in the cloud, as well as the development of digital platforms that increase interactivity and connectivity. Endesa also prioritises compliance with demanding standards for promoting cybersecurity to drive digital transformation with the lowest risk.

#### FOCUS ON NEW PLATFORM-BASED BUSINESS MODELS



#### 4.4.1.2. Digitization of Assets

##### 4.4.1.2.1. Digitalisation of Thermal and Renewable Generation Installations

There are two major areas of ongoing digitisation in the generation facilities.

#### Global O&M (Operation & Maintenance) Applications

These applications are part of an integrated digitalization program for operation and maintenance, which will facilitate the homogenization of processes between thermal and renewable technologies, generating a coherent and effective platform. It includes several important initiatives, among which the following stand out:

Ingen	Global management application to support operation processes in hydroelectric power plants. Fully deployed in all power stations in Spain.
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<b>Global Operational System</b>	Development and implementation in Spain of a global system for the efficient management of production and the improvement of results, including a multi-year review planning module. Integration with eWorker has been completed.
<b>Plant Operation &amp; Maintenance (PO&amp;M)</b>	A tool that creates a bridge between Operation and Maintenance, enabling communication/integration with other existing applications. The tool has been adopted by all wind supervisors and two pilot solar plants.
<b>DMS (Document Management System)</b>	Migration of O&M documentation from CKS (Sharepoint) to the new document management system DMS in Opentext.
<b>Avalarms</b>	Landslide risk notification system on roads to hydroelectric dams.
<b>eLabeling</b>	Digital warehouse tool to manage the movement of goods and inventory facilitated by automatic scanning of tagged parts (using RFID or barcode technology). Developed for all generation technologies, it enables integration between the physical warehouse and the SAP E4E backend.

### Data Analysis and Artificial Intelligence (AI) Initiatives

These initiatives are aimed at improving operational efficiency and moving towards predictive maintenance.

<b>DR4DA (Data Repository for Data Analysis)</b>	Data Analysis environment to homogenise ETL processes and integration with other AI systems.
<b>MLi (Machine Learning Integration)</b>	Development of algorithms with Machine Learning for detection of failure models in wind turbines.
<b>GMI (Gas Maintenance Iberia)</b>	Web application for predictive models and access to the document repository.
<b>SOMOS Eco</b>	Automation of the process for classifying inefficiency events.
<b>DEFEM (Fault Detection in Measuring Equipment)</b>	Detection of anomalies in electricity hub energy balance and measuring equipment.
<b>Inefficiency</b>	Detection of efficiency degradation and its causes by AI in wind turbines.
<b>Intelligent Surveillance - Aldro (Artificial Intelligence for hydro)</b>	AI image recognition to detect accumulations of solid elements in water.
<b>Smart Surveillance - MA Camera Incident Detection</b>	Detection of thermal plant fumes associated with poor combustion in areas close to urban centres, using Artificial Intelligence.

#### 4.4.1.2.2. Digitalization of the Distribution Network

##### 4.4.1.2.2.1. Remote Management and Meter-Reading Control

###### Approach to EUSS demand management

Endesa's Remote Management Project has been developed with the aim of implementing an automatic and remote control and management system for the electricity supply of all domestic customers.

Throughout 2023, Endesa performed a total of 123,104 replacements, encompassing 99.7% of type 5 meters with an active contract and contracted power of up to 15 kW (12.1 million active customers with smart meters).

This year, 13,136 installations of type 4 equipment with remote management capacity were also undertaken (on supplies with contracted power between 15 and 50 kW), representing 97.7% of the target type 4 equipment.

## REMOTE MANAGEMENT AND METER-READING CONTROL

Low Voltage <sup>1</sup>			Medium Voltage			High voltage	
Remote management plan (no. installed remote management meters)			Remote control installation plan (number)			Remote control update (number) <sup>2</sup>	
2022	2023	Goal 2023-2025	2022	2023	Goal 2023-2025	2022	2023
12,502,944	<b>12,591,840</b>	14,000,000	33,293	<b>37,468</b>	47,400	270	<b>270</b>

<sup>1</sup> For LV it includes type IV and type V meters.

<sup>2</sup> The HV remote control installation project was completed in 2022 so there is no target for subsequent periods.

### Remote Metering System

At the end of 2022, the AMMS (Automatic Metering Management System) was migrated to the new TWOBEAT Remote Management system. During the first quarter of 2023, configuration and software adjustments were made to optimise system performance and remote operation of remote management equipment.

This migration is part of an overall development strategy of the Distribution Systems to a more integrated and sustainable system structure (BEAT Systems), which has continued through 2023 with the implementation of the WorkBeat, ForceBeat and HeartBeat systems. These systems, which have been implemented in 2023, have an impact on operations and interfaces in the TwoBeat Remote Management System, which has been functionally adapted to the new operations and data model.

In addition to the integration with the rest of Beat Systems, the following developments have been implemented to comply with new regulations or adapt to the technological evolution of remote management equipment:

- The system has been adapted for the management of several new meter models:
  - NEXY – Type 5 Single-Phase
  - ZIVT5 – Type 5 three-phase.
  - ZIV with 4G modem, which incorporates GPRS communications in the meter, for those cases where it is not possible to establish PLC communications. This model meant the implementation of a new functionality in Twobeat to be able to take the meter reading directly, without going through the concentrator.
  - Adaptation of systems to manage the new version of the concentrator's SW.
  - Adaptation of Twobeat to new QED (Quantum Edge Device) devices in the Pilot phase.
- Development of the emergency online reset operation of the STI (Power Control) from the EDistribution Control Centre.
- Redesign of the online consultation that customers can make of their remote management meter from EDistribución's website, so that they can view the reading of the tariff periods and 2 contracted power ratings.
- Automation of the remote reading of outages recorded by Remote Management meters and storage in Datawarehouse, to improve the analysis of network incidents and complaints. This project extends to 2024, as this information will also be used to improve the CT/trafo-supply link in the low-voltage network.
- The new meter firmwares implement a new consumption event table, which through the application of an algorithm, allows the detection of the customer-grid connection. A new feature has been developed in Twobeat that automatically and incrementally collects the



consumption events of the meters (CIRO), and then stores them in a Datawarehouse. This project has been extended to 2024.

- Optimisation of processes and development of new reports for the management of LVS devices (advanced supervisors) installed in the Transformation Centres.
- Adaptation to new Operating Procedure PO 10.5 that establishes the publication to REE, of the hourly load curve for customers in the self-producer regime before 7am, which affects customers with a remote management meter. Twobeat has undergone new development to improve the performance of the process.

### Digitalization of the Energy Recovery Process

<b>Predictive models for non-technical loss detection</b>	Work continues on the application of Machine Learning and Deep Learning techniques for the detection of abnormalities and fraud, improving existing models for earlier detection of fraud, incorporating new data (such as the CT-level meter reading provided by Low Voltage Supervisors) and developing new models aimed at detecting new pockets of losses.
<b>Predictive model for automatic case valuation</b>	Application of Machine Learning and Deep Learning techniques to automatically detect the start date for the anomaly, to contribute to reducing the time needed in the management of files.

### Meter-reading Management

<b>HBS (Hourly Balance System)</b>	Calculates losses on distribution grid sections, which are delimited by energy exchange points measured throughout the reporting period. In 2022, the number of low voltage balances available increased as progress was made in sensorising the network.
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#### 4.4.1.2.2.2. Development of Smart Grids

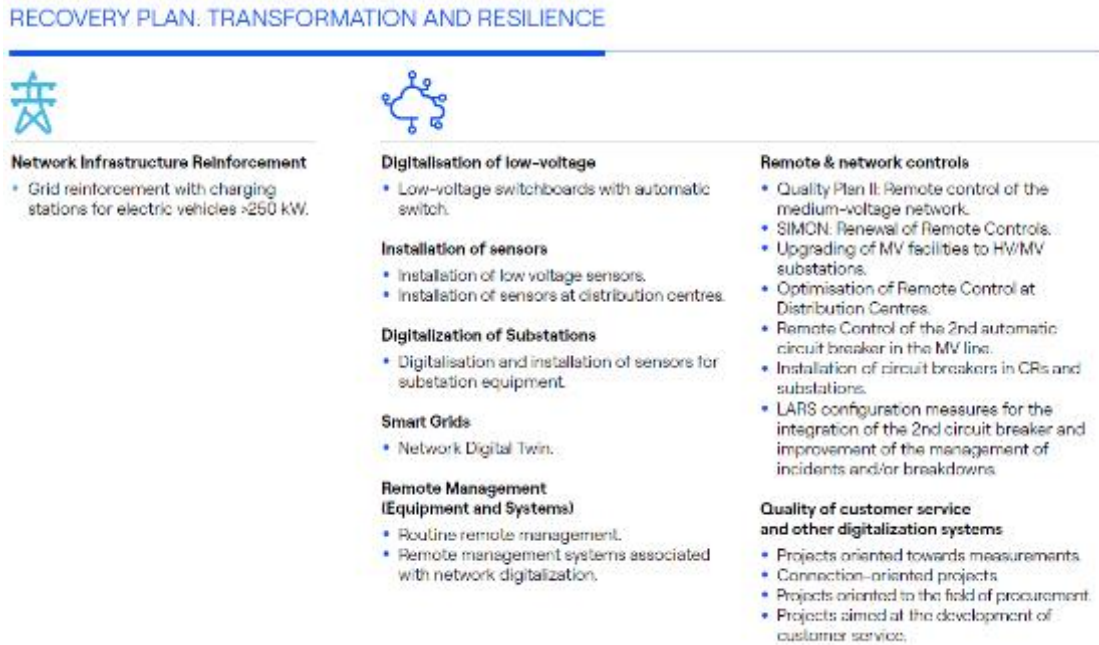
Endesa's grids are being configured in accordance with a **Smart Grid model**. Its technological advancement, together with the incorporation of Information and Communication Technologies (ICT) and sustainable materials that mitigate the environmental impact and improve the resilience of the grid, offer an effective response to the needs of its users:

- They allow the connection and operation of renewable generation and distributed generation, associated with consumption.
- They enable demand management, providing greater flexibility to the system by flattening the load curve and maximizing the use of electrical infrastructures.
- They enable the roll out of electric vehicles and the development of more comprehensive and advanced energy services, improving the quality of the power supply, reducing response times in the event of power failures.
- They enable preventive and predictive maintenance strategies, as well as the safety of internal and external personnel, and the increased efficiency of grid operations.

### Recovery, Transformation and Resilience Plan

It should be noted that EDISTRIBUCIÓN has defined an investment plan for the three-year period 2021-2023 that aims to achieve the objectives of Royal Decree 1125/2021, by carrying out a series of investments that it considers key to the digitalisation of the electricity system and, specifically, of the electricity grids it operates.

The following figure illustrates the main categories in which all the projects would be developed.



With regard to the above, it should be noted that E-Distribución planned these investments with the intention of having a positive impact on customers in the electricity networks, from its principles and commitments to seeking improvement in the technical and operational efficiency of its networks, and with the intention of responding to the system's growing technological requirements.

#### 4.4.1.2.2.2.1. Participation in Technology Platforms

In 2023, Endesa continued to actively participate in different technology platforms that seek to promote the development of a much more advanced distribution grid, capable of responding to the challenges posed by the future. Among which, it has continued to participate in different working groups addressing the impact of storage and electric vehicles, alternative solutions to SF<sub>6</sub> on the distribution grid, and has begun to lead a working group on the impact of climate risks on the distribution grid.

In addition, Endesa is actively participating in the development and implementation of the new national SIORD platform, which is shared by the rest of the distributors. The objective of this platform is to unify the processes and the flow of information exchange between all Distributors and distributed resources. At a later stage, the SIORD platform will play a role as a facilitator for the implementation of flexibility services in the distribution network.

#### 4.4.1.3. Digitalization of the Customer

##### 4.4.1.3.1. Towards Leadership in Digital Transformation

Focusing on the customer, in 2023 Endesa continued development on new customer service channels, as well as new IT tools that favour customer digitalisation, as well as products and services that are essentially digital by their very nature.

The pandemic led to an acceleration towards greater digitalisation, and it has continued once the most critical moments have passed. As an example of this progress, it is worth highlighting Endesa's efforts to reach new customers through digital channels and platforms.

Endesa has opted to be present in the digital ecosystems where customers move (search engines, social networks, etc.), and to promote new ways of working and the use of advanced analytics to personalise messages and offers. This has enabled a more than 4-fold increase in the volume of digital customer acquisition since 2020, with digital sales accounting for around 1/3 of new energy customer acquisitions.

Digital tools and platforms are therefore key to attracting new customers and the subsequent relationship with them in commercial operations through our online office and the App for customers, but also to provide them with advice and benefits for being a customer. In this regard, it is worth highlighting:

- Infoenergía: Free personalised advice service so that customers can control and manage the electricity consumption of their homes. The tool has continued to evolve in 2023 and has been instrumental in launching efficiency challenges to the customer (e.g., "We reward your efficiency" promotion).
- Para Ti: loyalty programme, digitally supported (App), in which the customer can track the accumulated benefits, earn points (e.g., for activating digital invoices) or redeem them. Launched in 2023, the aim of the plan is to add new benefits, partners and functionalities throughout 2024.

Endesa received two awards in 2023 in recognition of its efforts in Customer Service, for the best technological innovation project and the best omni-channel project.



- The award for best technological innovation project recognises the advances implemented by the telephone and digital channels to improve the customer's experience in their relationship with Endesa through the use of the Voice Fingerprint in the telephone channel and the contracting process via Whatsapp in the digital channel.
- In the best Omni-channel project, recognition was given to the work carried out to provide a comprehensive view of the customer to ensure a homogeneous service between the different channels, with this being extended to the self-service channels through the deployment of the Full Digital project, which has provided customers with a unique digital experience on the web and App.

#### *4.4.1.3.2. New Digital Platforms and Capabilities*

With the customer as the central focus of its actions, Endesa continues to evolve its "digital and sustainable ecosystem".

By the end of 2023, there were already almost 4 million digital customers, who had accessed the private area more than 81 million times, mainly to consult their bills and digitally manage their more than 5.5 million contracts.

With regard to the main advances in Spain during 2023, the following milestones stand out:

<b>New APP for Mercado Libre (ML)</b>	Since January 2023, free market customers have been able to use the new App, called Full Digital, which improves customer service.
<b>Promotion of digital invoicing</b>	By the end of 2023, the constant actions to promote digital invoicing achieved that 51% of the energy contract portfolio will have e-Billing, which means an annual volume of more than 61 million bills in digital format, thus avoiding printing and sending them on paper and allowing for a more efficient and satisfactory process.
<b>Improvements in digital service channels and platforms</b>	<b>Digital Customer Service Platforms</b> (Whatsapp, Facebook, chat, e-mail) were strengthened to provide customers with a better service. In 2023, the introduction of the full contracting process via Whatsapp was successfully achieved.

With regard to Endesa Portugal, the main advances during 2023 have been:

<b>Improvements to the online channel</b>	Progress was made in improving the digital customer experience and response times for the online channel, by simplifying the web language at the time of contact, greater and faster automatic resolution of web procedures and the improvement of customer communications.
<b>The implementation of new "Journeys" in commercial systems (CRM)</b>	These improve the personalisation of their interactions with Endesa and the sequence of communications during their growth as a customer
<b>Implementation of the MB Way payment platform in Portugal's systems.</b>	Equivalent to Bizum in Spain allowing the customer to pay their bills via QR code, pay any other payment document and even manage cut-off notices.
<b>Smartmeter Project</b>	It will allow, in 2023, the development of improvements to the private website and the contract form in order to provide service and advice to customers with a smart meter.

#### 4.4.1.4. Digitalisation of Our People

Endesa is continuing to make significant changes with a view to becoming a more digital and innovative company; it considers offering continuous training to its employees and providing them with the best digital tools as essential factors in achieving this, thus helping to drive the cultural change required by the company.

In 2023, the ZEUS transformation programme was completed. It aims to improve the user experience in personal work environments (Digital Workplace) by introducing advanced analytics solutions and virtual assistants.

##### 4.4.1.4.1. Work Environment

#### Open Work

In 2019, Endesa launched the Open Work project at its HQ in Madrid with the aim of moving towards new ways of working by managing the change of human resources and implementing new spaces and technology, while ensuring digitalisation, sustainability, health and safety.

The transformation works at Endesa's headquarters in Madrid, in Calle Ribera del Loira, were completed and finished in 2022, so that all 2,480 employees are currently working in Open Work mode. In addition, during 2023, the Seville and Badajoz headquarters were transformed with around 1,030 and 40 employees respectively. Therefore, at the end of the year, there were around 3,550 people working in Open Work mode, which represents 48% of Endesa's office workforce.

Thanks to Open Work, work at Endesa will be more agile, technological, efficient, flexible, open and collaborative, in line with the company's strategy and transformation.

#### 4.4.1.4.2. Development of Digital Skills

In its digitalisation strategy, Endesa focuses on the value of people, as digital transformation is closely linked to the transformation of people.

Endesa's digital skill training programmes enable people to add to their technical knowledge of technology, change management skills that are the new paradigm for the digital age and the new work model, to attain a more systemic vision and achieve a positive, sustainable impact. In 2023, 78,225 hours of training were given in digital transformation.

In the last four months of 2023, Endesa launches its "AI Horizons" programme. Together with Comillas Pontifical University, it has created the Endesa Chair in AI Applications to Maintenance. Its main objective is to investigate and disseminate the applications of AI in the field of maintenance and management of generation assets, to facilitate the energy transition towards a long-term sustainable model, and in accordance with the United Nations Sustainable Development Goals.

Endesa's flagship "enData" programme begins its fifth year in 2023, with the participation of 524 participants since its beginnings in 2021.

The integration of new external platforms in eEducation, Endesa's e-learning platform, has provided multiple training contents in digital competencies that enable the creation of personalised pathways, ensuring that all content is adapted to the individual needs of each person with learning actions to provide and improve the digital qualifications they require, and to grow in their personal development.



The new hybrid work model has increased digitalisation training with regard to quantity, quality and efficiency, to promote transformation and help people to change, understand, become aware of and acquire the skills they need to face current challenges, while encouraging them to increase their potential.

The following table details the initiatives and platforms that Endesa puts at the service of people.




#### TRAINING PROGRAMMES

<b>Data Driven</b>	Collecting, improving, analysing and understanding how and why data has become essential for Endesa's competitiveness and continued growth. Guiding people through the implementation of a data-centred culture, the adoption of new technologies (e.g., machine learning), and the promotion of their talent and the skills required.
<b>Digital Skills</b>	Aimed at people who require a vision of the digital world at its most technical level, delving into the digital tools of the different areas of Endesa.
<b>Digital Soft Skills</b>	People are key to successful digital transformation. That is why information and training are essential, helping people to acquire the skills they need to face new challenges. The topics include Design Thinking, innovation management, business agility, idea generation, prototyping, co-creation and bimodal management.
<b>Office 365</b>	Trains people in better use of the Microsoft Office package tools.
<b>Digital routines</b>	Focussed on promoting good digital practices to incorporate new routines every 21 days. It involves an online training itinerary with tips and advice on how to harness digital tools for personal and collaborative use. Short 2- to 4-minute videos, with clear and concise guidance on how to go digital within 21 days.
<b>Remote Working</b>	Leadership and management of virtual teams; time management; communication.
<b>Agile Transformation</b>	In-depth knowledge of the Agile development techniques to train high-performing teams as regards delivery, and integrate the value of service management in agile work dynamics.

#### 4.4.1.5. Cybersecurity

Material Topics	Plan	SDGs
Digital Transformation		

The objectives of the Sustainability Plan (ESP) 2024-2026 and the closure of these indicators are shown below.

SDGs	Activities	Units	2022	2023	ESP Objectives 2024-2026 <sup>1</sup>	
					2024	2026
	Spreading the culture of security and changing people's behaviour to reduce risks	Actions	19	19	15	15
	Execution of cyber exercises involving industrial plant/sites <sup>2</sup>	Cumulative Cyber Exercises	54	67	55	50
	Information and Communication Technologies (ICT) Security Verification	Actions/year	1,400	1,861	1,200	1,200

<sup>1</sup>The targets have been defined taking into account the possible reduction of the risk area due to the disinvestment/transfer plan of the legal entity at Group level.

<sup>2</sup>Cyber exercises are drills intended to simulate a cybersecurity incident, carried out with the aim of training the reaction capacity of the subjects involved and testing processes and technologies in the field. The exercises are conducted by Enel's Cyber Emergency Readiness Team (CERT) and involve both technical and commercial reference structures. The simulation conducted generates awareness and addresses possible needs for improvement of technical or organisational aspects.

#### Objectives



New



Redefined objective

#### Actions to highlight

1. Conducting simulations of cybersecurity incidents in order to increase the detection, preparation and management capabilities of the personnel involved in the event of a cyber-attack.
2. Implementation of additional use cases to automate and streamline incident management activities, using emerging technologies such as SOAR (Security Orchestration, Automation and Response) and Machine Learning.
3. Execution of actions aimed at promoting, educating, training and raising awareness of cybersecurity with the aim of making the employees of the Enel Group, including Endesa, the first line of defence against cybersecurity risk.
4. In 2023, a specific program has been launched to promote cybersecurity awareness for new recruits.
5. In 2023, a new course for System Administrators has been published and launched, in line with regulatory prescriptions and internal policies. This course presents general concepts of

cyber risk and best practices to mitigate it, with reference to the role of the system administrator.

**6.** Implementation of solutions that cover spam and phishing threats, protecting all of Enel's email domains, including Endesa, from fraud attempts and improving customer protection and brand reputation

Technological components are increasingly integrated into the digital life of the business world and, in parallel, the cyber threats inherent to each of these environments are becoming more frequent and sophisticated. For this reason, cybersecurity has become a global issue, and one of the pillars on which Endesa's digitalisation strategy has been built.

Enel Group has a holistic and systemic model in place to act on and manage cybersecurity, encompassing all Group companies, including Endesa. This model is promoted by senior management and relies on the actual involvement of all corporate business areas and the areas responsible for designing, managing and operating IT systems.

Endesa also has a global Cybersecurity Unit that reports directly to the Chief Information Officer (CIO) through the Chief Information Security Officer (CISO), to streamline the decision-making process at a global level, in a context where response time is essential.

The cybersecurity governance model has the commitment of Senior Management and Global Strategic Management, and also establishes the need to use world-class technologies, design ad hoc business processes, increase people's cyber awareness and transpose cyber regulatory requirements.

#### *4.4.1.5.1. Policies and Management models*

Endesa, as part of the Enel Group, shares the principles and processes for cybersecurity-related activities that the Group has established through a "Cyber Security Framework" document, policy 17, approved by the Group's CEO.

This document reflects the principles inherited from the best international practices in the energy sector, being the basis for the execution of all cybersecurity activities.

In particular, this document:

- It is structured into 8 processes fully applicable to the complexity of the usual environment of Information Technology (IT), Operational Technology (OT) and the Internet of Things (IoT).
- It defines the roles and responsibilities, while ensuring full involvement of business areas, assigning custom responsibilities to the organisation's stakeholders and laying a solid foundation for a complete merger of technologies, core processes and people.
- It is focused on and driven by a "risk-based" approach and the principle of "cybersecurity by design".

This document and its subsequent activities address cybersecurity governance and management.

The "risk-based" approach of the Cyber Security Framework policy makes risk analysis an essential step in all strategic decisions. Since 2017, Endesa has applied a cyber risk management model that is based on a methodology applicable to all types of computer systems (IT/OT/IoT).

This model aims to identify, prioritize and quantify the cybersecurity risks associated with the use of such systems, with the ultimate goal of identifying and adopting the most appropriate security actions for their minimization and mitigation. Therefore, in line with this methodology, Endesa identifies the information systems that require such risk analysis, from which the appropriate mitigation actions are established depending on the type and severity of the risk.

Implementing the principle of cyber security by design allows the activities of an IT project to focus on cyber security issues from the initial stages of design and implementation to the entire lifecycle of systems and services, in order to increase their resilience to cyber-attacks. Endesa shares the best practices and operating models in cybersecurity, and contributes to the definition of guidelines, standards and regulations with private organisations, institutions and academies.

The Enel Group has also created its own team of computer analysts, in the Cybersecurity Unit, (Cyber Emergency Readiness Team - CERT) and since 2018 it has had its Control Room for the proactive management of cyber incidents and to activate the response to cyber emergencies for all Group companies including Endesa, as well as cooperating with national and international CERT communities.

When the CERT detects any type of information security risk or incident, it analyses and classifies it according to its severity. When the incident generates a crisis situation affecting business continuity, the profitability of the company or its reputation, Endesa immediately takes the necessary action in accordance with existing crisis and emergency management security policies. CERT is characterized by its ability to:

- Prevent, detect and respond to cybersecurity incidents (*Cyber Incident Response*) through a process whereby the CERT and internal stakeholders communicate to implement a systematic, structured approach to incident management. To do this, the CERT needs visibility of what happens in all corporate environments, whether they are industrial or business. This visibility is achieved through a process in which, working in collaboration with all areas of the company, the sources of information are identified and the data produced by them is collected.
- Monitor cyber security threats (*Cyber Threat Intelligence*) through the collection and management of detailed information regarding cyber threats, events, and incidents. This is done through a process aimed at finding/detecting privileged information and translating it into actions to avoid, mitigate, or manage a potential security event.
- Exchanging information and collaborating between all the necessary parties to handle a cybersecurity incident, within a context of secure communication, taking into account the principle of "trust" vis-à-vis information to be exchanged in accordance with the principles of "need to share" and "need to know" of the different parties involved.

The relevant events carried out by the areas in charge of cybersecurity within the company in 2023 are:

- The CERT continued with the execution of cyber exercises in all the countries of the Enel Group, including Endesa, in order to strengthen incident response capabilities in collaboration with the relevant business areas. In particular, in 2023, 67 cyber exercises were conducted globally.
- Implementation of additional use cases to automate and streamline incident management activities, leveraging emerging technologies such as SOAR (Security Orchestration, Automation and Response) and Machine Learning.
- Extension of the anti-malware solution to mobile devices managed by the Group's software.

Endesa, as part of the Enel Group, actively contributes to the evolution of the international cyber ecosystem through collaborations with international organizations, relations with the academic and institutional world, technological alliances, participation in institutional events and interventions in international congresses. The extensive network of collaborations developed, enables Enel to positively contribute to the entire ecosystem, particularly the supply chain, in order to:

- Contribute to the definition of standards, regulations and directives.



- Develop and strengthen channels to "share information".
- Promote cybersecurity culture and training.
- Support "open innovation".
- Share best practices and operating models.

During 2023, Enel contributed, among the various activities, to the drafting of cybersecurity regulations and laws that emerged around the world, also providing comments in public consultations.

The main effort made by the Group was the harmonization of the current framework of cybersecurity legislation, the resilience of the cyber ecosystem by implementing a risk-based approach and the principle of security by design, carried out through the following actions, extended to the entire perimeter of the Enel Group, and therefore also to Endesa:

- Cyber Resilience Act – Proposal for harmonisation with NIS 2 and the Artificial Intelligence (AI) Act on Critical Infrastructure Cybersecurity taxonomies and request for more details on connected digital devices within the scope of the legislation, with a particular focus on implementation in the energy sector.
- Establishment of a structured program for the overall management and monitoring of compliance with critical infrastructure rules and regulations.
- Obtaining ISO 27001 cybersecurity certification for some of Enel Global Services' main processes.
- Obtaining the renewal of the ISO 27001 cybersecurity certification for some of the main processes of Enel X Way.

### **Education, Training and Awareness with Regard to Cybersecurity**

- Training to increase the cybersecurity skills needed in the professional field. During 2020, the Cyber Security Unit started already to organise courses in cybersecurity (Cyber School) designed for all Enel Group employees, including Endesa. The courses are offered as e-learning courses. In this way, they constitute a constant and always usable initiative that offers a comprehensive awareness-raising and capacity-building path on strategic issues, thus addressing potential "upskilling" and "reskilling" needs. These courses were also used in 2023 to meet the requirements of some regulations.
- Awareness raising for all Endesa employees, to reduce the cybersecurity risk tied to the human factor. In 2021, the Group launched "The Red Pill", a tool that provides a number of functions (challenges, simulated phishing campaigns and other content on a broad selection of issues with regard cybersecurity) and provides strength and support for all employees. The tool provides different functionalities, listed below:
  - Knowledge Assessment: Used to assess the cyber risk baseline, identifying strengths and weaknesses to better target and calibrate awareness initiatives.
  - Simulated phishing campaigns: by sending simulated phishing emails (with similar danger to malware), Enel and Endesa staff are trained to recognise the characteristics of real phishing emails. A total of 18 simulated phishing campaigns have been conducted since 2021, 8 of which took place in 2023.
  - Awareness assignment: They are used to provide people with awareness courses and informative content with the aim of gradually increasing knowledge in aspects of cybersecurity (completion of all training modules expected in 2023).
- A further vehicle used to disseminate communications and information on cybersecurity topics (e.g. specific news, interviews, videos) is the Global Intranet. At the end of 2020, a

"Rules of Behaviour for Digital People" policy was developed, which defines guidelines and rules of conduct that need be adopted by Enel Group employees, including Endesa, in order to use digital resources securely so as not to harm the efficiency/effectiveness of IT/OT systems and mitigate the risk of the company being exposed to possible cybersecurity threats. Through this guideline, it is worked and guaranteed:

- That the worker becomes the first line of protection for computer security.
- The prevention of cybercrime that may give rise to administrative liability of group companies in accordance with Enel's Global Compliance Program.
- The correct management of the Enel Group's data, including Endesa's, safeguarding its availability, integrity and confidentiality.
- Attention to the efficient and effective use of IT/OT resources entrusted and assigned to workers.
- Protection of the company from illegal acts and abuses caused by individual behaviour perpetrated by the misuse of corporate digital resources.
- Supporting people to recognize cyber risks and to behave safely also in private life, protecting themselves and their families.

In the following years, this guideline was further refined with the integration of a quick guide available in 5 different languages, allowing for quick reference.

In addition, 19 awareness-raising actions on cybersecurity were carried out in 2023.

A specific programme to promote cybersecurity awareness for new recruits was also launched in 2023.

- "Cyber Security Essentials" course for all Group employees, including Endesa, in order to provide general knowledge on the fundamentals of cybersecurity and to understand the principles of the "Cyber Security Framework" defined and adopted at Enel (Policy no. 17). It also illustrates sector regulations, actors and threats in the cyber landscape and provides the rules of behaviour that digital people must follow in all Enel Group companies, including Endesa (Policy no. 1097). A final evaluation is also included to verify the content learned.
- Tools to recognise a possible malicious email and consequently play a key role in defending cyber security, each new colleague is involved in a specific task, an "Anti-Phishing Module" that also informs people who will take part in simulated phishing campaigns.
- A cybersecurity slide deck is included in the Welcome Book, which provides new employees with general information on cybersecurity and on the company's active cybersecurity project (e.g. The Red Pill platform, cybersecurity courses, references to the Rules of Behaviour for Digital People policy).

In 2023, a new course for System Administrators has been published and launched, in line with regulatory prescriptions and internal policies. This course presents general concepts of cyber risk and best practices to mitigate it, with reference to the role of the system administrator. Participants will be able to understand the role and responsibilities associated with the system administrator function. At the end of the course, a final assessment test is included to assess the knowledge acquired.

Endesa is also covered by a cybersecurity risk insurance policy to mitigate cyber risk. It is valid for the entire Group and has been underwritten by Enel since 2019.

#### *4.4.1.5.2. Definition of the Cybersecurity Strategy*

The cybersecurity strategy sets goals and priorities for cybersecurity in order of addressing and coordinating initiatives and investment activities for Endesa as a whole, and to ensuring that cybersecurity policies are complied with, goals and targets are set, management reports are generated and security initiatives underway are constantly monitored.

It is an ongoing process, led by the Chief Information Security Officer (CISO) and leverages the close integration and synergy between the Global Information and Communication Technology (GICT) function and the lines of business. The different actors involved communicate their needs, share training, analyse opportunities, manage issues and propose possible initiatives.

The different actors involved also analyse the different options and possible initiatives, within their business area, to assess their feasibility, ensuring consensus and financing of the projects. The Cybersecurity unit drives the process and, together with all other parties, gradually consolidates aspects such as the future scenario of cybersecurity, the cybersecurity goals and targets and strategic initiatives with an initial budget and top-level prioritisation.

The Cybersecurity strategy is defined based on the needs of the company and is approved by the Cybersecurity Committee, a committee led by the CEO of the Enel Group and formed by Senior Management. At a more specific level, the Committee is made up of the General Manager of the Global Information and Communication Technology (GICT) function, the heads of the Business Lines and the Head of Regions and Countries, including Endesa's CEO, and the Head of Holding Functions.

#### *4.4.1.5.3. Incident Management*

The CERT monitoring system collects events from a number of data sources and makes use of automatic analysis to correlate them to log incidents. These incidents are categorized in a manner consistent with the cyber impact matrices, even taking into account the enhanced event correlation capabilities derived from the adoption of new security services.

Most incidents are classified as level 0/1 since they have no significant impact on the Group's environments and are resolved on the same day.

Incidents are classified on the basis of diverse criteria. Impacts (assessed as either non-existent or restricted in most incidents, those classed as 0/1) are centred around aspects such as the safety of people, financial losses, loss of operating efficiency, impact in the media and any resulting uncertainty.

Incidents classified as level 2/3/4 in the cyber impact matrix, vary from potential impact to medium-significant impact, and are all managed by the CERT, with the involvement of all stakeholders.

In 2023 the CERT responded to 48 cybersecurity incidents with an impact level of 2, 2 cybersecurity incidents with an impact level of 3, and there were no cybersecurity incidents with an impact level of 4.

In all the cases detected, all the procedures defined for the management of incidents and critical events were activated in order to allow an efficient and rapid response, so that the impacts on people, services and assets were minimized.

The incident management process is described in the Organisational Procedure (OP) 204 "CERT - Cyber Emergency Readiness Team (CERT)", and also in a detailed RACI manual.

In order to enhance the ability to detect, prepare and manage cyber-attack events, the CERT also runs regular cyber exercises to train the staff involved. At the end of each cyber exercise executed, a report is produced describing the simulation in detail. This report allows us to work on continuous improvement:

- Quality and integrity of the material supplied to support the decisions.

- Execution times for each phase.
- Consistency with procedures.

#### 4.4.1.5.3.1. Cybersecurity Projects

All projects, programmes and initiatives presented in this chapter aim to avoid, mitigate or correct cybersecurity risks for Endesa. As a result, cybersecurity activities, which are defined with a risk-based approach following the principle of security by design, generate a continuous due diligence process that also includes self-assurance activities.

The Cybersecurity unit implements initiatives, projects and programs in the short/medium term with medium/long-term impacts and benefits.

More specifically, the technological initiatives being taken to strengthen the protection systems and reduce the level of exposure to risk are focussed both on Information Technology (IT) and industrial environments Operational Technology (OT).

The projects managed centrally by the Cybersecurity units and deployed in the Group's areas are as follows:

- The adoption of Multifactor Authentication to strengthen the authentication process and counter credential theft.
- The implementation of the Right Management solution to ensure the correct classification of information with different levels.
- Implementing the Endpoint Privilege Management - EPM solution to remove local administrator rights from workstations.
- The Cloud Workload Security project that uses the continuous assessment of configurations to ensure that the company has capabilities that provide a correct security position for cloud environments, monitoring exposure to risk and avoiding breaches of security.
- The Security Eye on Logging (SEOL) project to detect anomalous events in the assets, which could lead to a breach of data protection regulations.
- The "End Point Detection & Response (EDR)" solution on corporate devices (including mobile) to not only detect and block viruses/malware, but also to identify suspicious patterns and behaviours that may be revealed to be part of cyber-attacks.
- The drive encryption solution for workstations.
- "The Red Pill", the Group's platform to conduct simulated phishing campaigns, awareness, adaptation and active campaigns.
- The Cyber GRC tool to support users in automating and monitoring the management process for Business Impact Analysis (BIA), Risk Assessment (RA) and Risk Treatment (RT).
- Research and development initiatives in the field of industrial safety.
- Solutions to identify vulnerabilities in assets and devices (mobile devices, IoT, web applications, etc.) using innovative techniques.
- Solutions that cover spam and phishing threats, protecting all of Enel's email domains, including Endesa, from fraud attempts and improving customer protection and brand reputation.
- Periodic exercises simulating real cyber-attacks, aimed at preventing, responding to and managing cyber incidents.

## 4.4.2. Innovation



### Actions to highlight

1. 114 million euros were invested in R+D+i in 2023. In addition, there has been an increase of 3.2 million euros in investment in R&D and Technological Innovation (TI) projects at the investee nuclear power plants.
2. This year, specific programmes have been created for the generation of new innovative ideas by the company's employees, such as "PowerG", a programme for entrepreneurship and the generation of new innovative ideas and continuous improvement that is specifically focused on activities in the generation business line.

The scope of the information provided in this chapter covers both Endesa, S.A. and its investee companies in Spain and Portugal, the same as in the reports in the Legal Documentation. For further information, see sections 2.1.2.6. *Organisational Structure* and 2. *Report Coverage (ANNEX I: Methodology for preparing the report)*. Possible variations on the scope described here are presented throughout the chapter, where appropriate.

#### 4.4.2.1. Investment in Research, Development and Innovation (R+D+i)

##### 3-3 EUSS Management research and development approach

Endesa is firmly committed to innovation, which it considers to be a strategic aspect, in order to address present and future challenges in all areas of the company. Innovation has accelerated significantly in recent years, and the organization is investing heavily in improving platforms, processes, and systems. For this reason, Endesa develops projects, invests resources and, ultimately, takes the initiative in this area from all its business lines.

The gross direct investment in (R+D+i) made in the last three years has been as follows:

DIRECT GROSS COST R+D+i (MILLION EUROS) <sup>1</sup>	2021	2022	2023 <sup>2</sup>
Generation & Marketing	81	81	77
Distribution	23	34	31
Structure and others	6	8	6
<b>Total</b>	<b>110</b>	<b>123</b>	<b>114</b>

<sup>1</sup> Corresponds to expenses and investments for which, for the purposes of the deduction for R+D+i provided for in Law 27/2014, of 27 November on Corporation Tax, the certification of an entity accredited by the National Accreditation Entity in Spain (ENAC) and a Binding Reasoned Report (BRR) by the Ministry of Science and Innovation has been obtained or requested.

<sup>2</sup> Provisional data pending certification by the accredited entity and obtaining the mandatory Binding Reasoned Report.

As of 31 December 2022, in order to provide information in line with market practice, Endesa has modified the criteria for submitting expenses and investments in Research and Innovation (R+D+i), taking as a reference the expenses and investments for which, for the purposes of the deduction for R+D+i provided for in Law 27/2014, of 27 November on Corporation Tax, the certification of an entity accredited by the ENAC and a Binding Reasoned Report (IMV) has been obtained or requested from the Ministry of Science and Innovation. The amount of these expenses and investments may not coincide with the basis of the deduction finally credited. For comparison purposes, data for both the 2023 financial year and the previous two years are reported. For the

2023 financial year, the information is provisional and will be subject to review and certification by the independent expert and analysis by the Ministry of Science and Innovation.

The difference with the previous criterion is basically the consideration of not only new innovative and disruptive projects but also the substantial improvements of existing projects and, additionally, personnel expenses, expendable material expenses and amortisation expenses of machinery, tools and material have been taken into account.

#### 4.4.2.2. Open Innovation Model

##### 3-3 EUSS Management, research and development approach

Endesa has an open innovation model to find quality ideas in the development of innovative solutions capable of transforming the current energy model. Open innovation is a model of relationship between companies and external actors (universities, startups, research centres or other companies in the same or different sector) that promotes collaboration and the exchange of knowledge.

Endesa's innovation activities are carried out in close collaboration and synergy with the rest of the Enel Group, taking advantage of the Group's laboratories as well as the best research centres, universities, suppliers and national and international startups.

Below is a summary of Endesa's innovation model:



- **Identification of technological challenges:** In close collaboration with the businesses and after an analysis of all the business and technology trends available in the market.
- **Generation of ideas:** To solve the challenges, we work on two levels, internal and external ideas:

Internal Idea Generation Channels	Description
Open Innovability:	A platform for launching innovation and sustainability challenges, both for employees and open to the entire global innovation community outside the company.
Innovation Academy:	Specific programme with the aim of training employees in methodologies and work skills, which enable them to support the innovation culture in their field.
Open Power Space:	Space created as a benchmark collaborative meeting point at the various Endesa workplaces. In this unique environment, the different creative processes that emerge from employees, partners and external collaborators are shared, disseminated and set in motion.

Make it Happen:	Global entrepreneurship programme, which gives Endesa employees the opportunity to become entrepreneurs within the Company.
Challenge Driven Sessions:	<i>Workshops</i> on the application of innovative methodologies (“Creative Problem Solving”, “Design Thinking”, “Lean Startup”) to find innovative solutions and approaches to the Company’s challenges.
"Innovation Ambassadors":	Network formed by volunteer employees, who, after receiving specific training, are dynamisers of innovation within their field.
Participation in the "Enel Innovation Communities";	Each of these Communities is dedicated to a specific innovation theme: Artificial intelligence, robotics, drones, <i>blockchain</i> , circular economy, etc. In total, there are sixteen Communities in which employees from the different business areas participate by sharing their projects, experiences and points of view. In addition, they regularly organize open events to which experts are invited to present their initiatives and progress to the entire community.

External Idea Generation Channels	Description
Entrepreneurs	<p><i>Enel Innovation Hub Europe</i>: with physical locations in Madrid and Barcelona, and in coordination with the global Enel Innovation Hubs network, it is responsible for developing a relationship with the European entrepreneurship ecosystems that are relevant to the Enel Group, including ecosystems in Spain and Portugal. It also undertakes the prospecting of European SMEs and start-ups that can contribute to achieving goals and meeting innovation challenges identified by the Group’s Business Lines and Group companies. Enel Innovation Hub Europe units form part of a network of ten Innovation Hubs deployed by the Enel Group at key enterprise centres and strategic markets for the Group around the world: Brazil, Chile, Spain (Madrid and Barcelona), Israel, Italy (Milan, Pisa and Catania) and the United States (Boston and Silicon Valley).</p> <p>The sponsorship and promotion of different relevant events that are emerging as meeting points between corporations, entrepreneurs and investors. With this, Endesa aims to strengthen, encourage and support the entrepreneurship ecosystem, as well as promote innovation and the creation of real business opportunities.</p>
Partnerships & Working Groups	Collaboration with various technological platforms and working groups promoted by different companies and Administrations to share experiences in different areas and technologies.
Suppliers	Endesa actively works with its suppliers with the aim of developing and incorporating new disruptive solutions arising from the different projects. Along these lines, it is worth highlighting the <i>Innovation by Vendors Program</i> , in which specific challenges are posed to suppliers in order to validate innovative solutions in a shared manner and under full mutual cooperation.
Expert Communities	Through innovation challenges launched on the Open Innovability platform.
Other sectors	Endesa participates in innovation forums with other sectors.

- **International Best Practice Sharing:** through working groups in which different companies from all countries of the Enel Group are involved. Success stories are shared, which enables us to stay at the forefront of the various activities and technologies worldwide.
- **Project Launches:** after they have been assessed by Endesa's experts (according to a common methodology based on the initiative's value creation), if the evaluation is positive the ideas are converted into projects which then embark upon a structured management and monitoring process.
- **Value Capture:** Once the projects have been successfully completed, they move on to production in order to create value for Endesa. In addition, a careful policy of protection of intellectual property rights is followed.

#### 4.4.2.2.1. *Openinnovability.com: Our Global Digital Gateway*

OPEN INNOVABILITY<sup>22</sup> is the platform used by Endesa to present innovation and sustainability challenges. This platform can be used by Group employees and start-ups, independent innovators, universities, research centres, potential business partners, NGOs or other

<sup>22</sup><https://openinnovability.enel.com/>

associations to offer solutions to these challenges. Thanks to this platform open to the entire ecosystem, the generation of ideas and opportunities for all the challenges posed is maximized.

Different challenges were launched during 2023, for example:

Challenge	
<b>Distribution</b>	Collaboration between workers and robots during operations in primary substations.
	Autonomous robotic solution for anti-icing applications on overhead conductors.
	Innovative solutions to prevent objects falling from heights or to protect operators unintentionally within the fall impact area.
	Autonomous inspections of infrastructure in inaccessible areas during extreme weather events.
	Solutions to provide status monitoring and easy to use for poles and supports.
<b>Human resources</b>	Innovative solutions to improve the installation of underground cables of Medium Voltage lines, reducing the effort of the entire process.
	Innovative and inclusive solutions to reduce the existing digital gender divide while promoting women's digital empowerment.
<b>Generation</b>	Solutions to mitigate the impact of congestion on the network.
	Improve the weather forecast associated with rainfall and temperature, in the long term (9-12 months), with the aim of improving the use of water resources.
	Technological solutions or method that provides effective anti-dirt coatings on photovoltaic solar panels.

#### 4.4.2.2. Attracting External Talent: Endesa and Entrepreneurs

Endesa remains committed to working with entrepreneurs and start-ups, given their capacity when it comes to disruptive innovation, their use of technology, their know-how and, most importantly, their agility to develop and bring products and services to market in the shortest possible turnaround time. The relationship model is mainly based on the development of collaborations aimed at establishing commercial agreements with start-ups, known as "Venture Clients".

Endesa, as part of the Enel Group, benefits from the activity of the Group's Innovation Hubs, and mainly the Enel Innovation Hub Europe. These Innovation Hubs are located in relevant entrepreneurship centres and strategic markets for the Group around the world. The Enel Innovation Hub Europe is responsible for developing relations with the corresponding entrepreneurship ecosystems in Europe, including the entrepreneurship ecosystems of Spain and Portugal, markets in which Endesa is present and searching for European start-ups and SMEs capable of responding to the challenges faced by Endesa, as well as other Enel Group companies.

In the model that focuses on open innovation and collaboration with start-ups promoted by the Enel Group, Endesa acts as a growth platform for the start-ups. The constant communication between the start-ups and Endesa's experts during the project development phase has driven the creation of value, as well as new challenges and ideas, in a framework of mutual benefit for both entrepreneurs and the company.

Endesa's firm commitment to entrepreneurship can be seen in its sponsorship for the eleventh consecutive year of the "South Summit", the largest innovation and entrepreneurship event in southern Europe, which took place between 7 and 9 June 2023. This year's edition, with 17,000 participants from more than 125 countries and all its content in virtual format<sup>23</sup> to achieve greater dissemination and impact, focused on the road ahead until 2030, in which entrepreneurship plays an important role in Endesa's strategic axes for the energy transition. As part of this event, Endesa organised for the second year running the "Endesa Start-up Lovers" meeting, a networking event to put entrepreneurs who wish to create new companies in contact with each other. On this occasion, Sustainable Start-up & Co and For WOMEN have collaborated with the aim of

<sup>23</sup><https://www.youtube.com/user/SpainStartUp/featured>



promoting the creation of new projects within the groups for sustainability and women at risk of exclusion.

#### 4.4.2.2.3. Culture of Innovation: Idea Hub

The culture of innovation among Endesa employees is a key factor of transformation within the context of energy transition.

In this sense, Endesa structures innovation with a series of initiatives, grouped in the Idea Hub, with the aim of promoting creativity, the culture of innovation and intrapreneurship within the company, with the use of joint creation methodologies, employee projects and training on specific innovation tools.

This activity is articulated through different programs:

Make it Happen!	An intrapreneurship programme that gives Endesa's employees the possibility of becoming entrepreneurs within the company, with the presentation of projects on new business models or transformation of existing ones. In these cases, Endesa can choose to fund the projects with the highest value.
Business challenge support sessions	Application of innovative methodologies to find solutions to the company's challenges.
Innovation Ambassadors	Global network of employees, dynamisers within the company, whose objectives include the promotion of the culture and appropriate behaviours to promote the Open Innovation and Agile culture throughout the company, as well as supporting the business areas in solving their challenges. Thanks to the application of methodologies such as Creative Problem Solving, Design Thinking, Lean Startup and Agile frameworks, supporting each stage of the innovation process, from the needs gathering phase, during the design of new solutions, to the implementation phase.
Shakers community	Thematic online community for employees interested in innovation.
Innovation Academy	Specialized training program in innovation tools.

#### 4.4.2.3. Innovation in Electricity Generation

Within the Generation business line and in line with the dynamics of recent years, innovation is managed under an Open Innovation model. This model is based on active collaboration both with external entities, such as start-ups, large technology suppliers and research centres, and through the promotion of internal innovation, through the creation of specific programmes for the generation of new innovative ideas by the company's employees, such as the "PowerG" programme for entrepreneurship and the generation of new innovative ideas and continuous improvement, specifically focused on activities in the generation business line. This model promotes innovation as a key tool in the incremental improvement and evolution of the entire business value chain in the medium term.

During this year, the following strategic areas can be highlighted, where a very important part of the main innovation projects of the generation business line has been developed:

##### MAIN INNOVATION PROJECTS IN THE GENERATION BUSINESS LINE

Area	Purpose	Projects
Energy storage	Reduce energy storage costs, decrease dependence on raw materials, and minimize environmental impact.	<ul style="list-style-type: none"> <li>➤ Second life: use of second-life batteries from electric vehicles as stationary storage at the Melilla thermal power plant.</li> <li>➤ 1MW/5.5 MWh Vanadium flow batteries developed at the Son Orlandis photovoltaic plant in Mallorca.</li> <li>➤ Hybrid cathode-iron flux redox batteries in the Canary Islands.</li> <li>➤ Feasibility studies of compressed liquid air energy storage on the island of Tenerife.</li> <li>➤ Litoral Project and the project associated with the Mudejar Just Transition Node: Generation of green hydrogen.</li> </ul>
Robotic solutions	Drive initiatives in robotic solutions focused on asset inspection and the	<ul style="list-style-type: none"> <li>➤ Inspection of photovoltaic plants: a pilot project of an autonomous terrestrial robot that uses cameras to identify installation defects while moving autonomously is in the</li> </ul>

Area	Purpose	Projects
	integration of autonomous robotics in generation plant operations and maintenance.	validation phase and is currently being validated at the Minglanilla PV plant. <ul style="list-style-type: none"> <li>➤ Projects to validate solutions for the automatic cleaning of photovoltaic modules and for the automatic clearing of vegetation in solar parks.</li> </ul>
<b>Improved efficiency and increased flexibility of power plants</b>	Increase the efficiency and operational flexibility of plants through technological solutions.	<ul style="list-style-type: none"> <li>➤ Flexibility in hydroelectric plants: improve the flexibility of run-of-river plants by incorporating variable speed in generators, as well as to improve the flexibility of pumping plants. A pilot is being developed at the Guillena pumping plant.</li> <li>➤ Thermal Area: Pilot for the development of a fault detection system in electrical measurement equipment, based on artificial intelligence models.</li> <li>➤ Wind Area: new machine learning models have been incorporated to improve predictive maintenance. A pilot has also been initiated to improve the control of wind turbines, with the aim of improving their operating conditions. Finally, a validation pilot for the reduction of icing on wind turbine blades is being developed within the European HORIZON Europe project "Nanowings."</li> <li>➤ Photovoltaic area: Artificial intelligence solutions have been evaluated for the detection of problems in inverters, as well as problems in the solar field. A project is also underway to develop a smart control system for solar trackers that allows the control strategy to be independent of the tracker.</li> <li>➤ Operation support system in the renewable control room: Based on artificial intelligence, which improves the response time to incidents.</li> </ul>
<b>Construction of new renewable generation plants</b>	Development of different innovative solutions to accelerate the decarbonisation of the electricity sector:	<ul style="list-style-type: none"> <li>➤ Application of artificial intelligence models to identify potential archaeological remains in development areas. The aim is to reduce the risk of blocking renewable projects and to improve project siting, thereby reducing the development costs and environmental impact of projects.</li> <li>➤ Pre-assembly of solar modules and pre-assembled transformer systems to reduce construction time. The development of the "Flamingo" system and validation at the Torrecilla photovoltaic plant stand out.</li> </ul>
<b>Improving the end-of-life of equipment and systems, with a circular economy approach</b>	Development of two pioneering projects focused on developing the first demonstration plant for the recycling of wind assets and the battery sector:	<ul style="list-style-type: none"> <li>➤ Development of a wind turbine blade recycling plant for the recovery of glass and carbon fibres. The project is part of the European initiative Blades2Build, part of the HORIZON 2020 grant programme.</li> <li>➤ Development of the first Li-ion battery recycling plant in Spain to provide the sector with a valid recycling solution at national level. This initiative would be developed in collaboration with the company Sertego. These developments would include a battery recycling line for batteries, in order to maximise the use of batteries that still have a residual value once their first use in the electric vehicle has ended.</li> </ul>
<b>Reducing the environmental impacts of generation activities.</b>		<ul style="list-style-type: none"> <li>➤ Final phase of agrivoltaic pilot projects in 5 plants in Murcia, Extremadura and Andalusia. The intention of these projects is to validate the compatibility of photovoltaic power generation and agricultural production on the same site. Each pilot project is designed and adapted to the soil conditions and the type of traditional crops of the area, in order to achieve more representative results.</li> <li>➤ Participation in the HORIZON Europe project "SUSTAINEXT", to develop, in the north of Extremadura, a high added-value value chain associated with this agrivoltaic model.</li> <li>➤ Pilot project to validate the use of biodegradable liquids, as an alternative to synthetics, in the transformer of the VIDCO photovoltaic plant.</li> <li>➤ Pilot projects developed for the validation of new systems to improve the protection of birdlife in the vicinity of wind farms, using cameras, radars and artificial intelligence. 8 different technologies are under evaluation for different wind farms, in collaboration with different <i>start-ups</i>. For more information, see section 4.5.1.4. <i>Managing environmental risks and impacts</i>.</li> </ul>

#### 4.4.2.3.1. Innovation in Nuclear Power Generation

In the nuclear field, through participation in different programmes, Endesa has continued its commitment to R+D. Endesa is the secretary of the CEIDEN Spanish Nuclear Fission Energy Technology Platform, which coordinates R+D+i activities in the sector. In addition, through the Nuclear Energy Committee of the Nuclear Forum, the company promotes research projects of interest to its nuclear power plants. Some programs of special relevance are the following:

- EPRI's nuclear program, which aims to achieve operational excellence in nuclear power plants.
- The investment in R&D and Technological Innovation (TI) projects at the Ascó and Vandellós (ANAV) nuclear power plants was around 12 million euros for ANAV as a whole, with this investment being obtained from the tax deductions for the year 2022.

Endesa's nuclear power plants, thanks to investments in innovation, are prepared for long-term safe operation, beyond 40 years. The long-term operation of the plants, which do not emit CO<sub>2</sub> and which have a significant contribution to production in the Spanish electricity system, favours the reduction of greenhouse gas emissions at the national level.

Through EPRI, Endesa participates in research programmes to improve generation processes in a wide variety of areas, such as: materials management, chemical and fuel treatment, improvement of plant performance and a variety of strategic initiatives. These programs are jointly developed by all EPRI members around the world.

More details of the programmes that are carried out can be found at <https://www.epri.com/research/sectors/nuclear/programs>.

#### 4.4.2.4. Innovation in the Electricity Distribution Network

##### 3-3 EUSS Management, research and development approach

For Endesa, innovation within its electricity distribution network is key, with a double objective: providing responsiveness to the demands of its customers, facilitating a more participatory role for the consumer, and improving energy efficiency by focusing on resilience, operational excellence and safety. The company is developing several projects and concept tests with these objectives, which can be classified according to its jurisdiction:

##### RESILIENT, ADAPTABLE, AND LOW-IMPACT NETWORK

<b>LEO Satellite</b>	Improvement of network connectivity in rural areas through satellite communication, allowing transformer stations to have more than one communication route with the control centre in order to be able to act in emergencies.
<b>"Resisto" Project</b>	Development of new applications based on digitalization, automation and data intelligence to increase the resilience of the electricity distribution network to extreme weather events, as well as other related risks in natural spaces. During 2023, IoT-based sensors for measuring weather variables, with thermal and visible cameras being installed on critical assets. Smart drones were tested for asset inspection and AI-powered algorithms were developed for the risk management platform.

##### SAFETY & OPERATIONAL EXCELLENCE

<b>Aerial-Core</b>	Development of a range of autonomous aerial robotic platforms for long-range inspection with data collection of overhead grids, handling of grid elements with the use of robotic arms and cooperation with personnel to enhance safety. In 2023, the final validation tests of the project were successfully carried out at the ATLAS experimental centre.
<b>Digital Security Barrier Project</b>	Creation of a virtual area by delineation with LIDAR equipment to allow people and vehicles to move safely within work areas and construction sites, mitigating the risk of contact with live cables and impacts between people on site and heavy vehicles used during works. It is being developed at the Sant Boi de Llobregat substation.
<b>"Smart5Grid" Project</b>	Monitoring of the environment to ensure the safety of the works with cameras and sensors that have already been installed. Their processing and communication is made possible thanks to the deployment of the private 5G network at the substation itself. Developed at the Ecogarrat substation (located in the Garraf Natural Park in Barcelona).

##### NEW DISTRIBUTOR ROLE

<b>"Flow" Project</b>	Developed on the island of Menorca. Both one-way and bi-directional chargers are used to provide flexibility to the network. These resources make it possible to smooth out the peaks in demand caused by the seasonality of the use of electric vehicles, guaranteeing supply in all demand scenarios through the distribution network and analysing the benefits provided by smart charging. This is achieved thanks to the fact that bidirectional chargers (V2G or Vehicle to Grid) allow, in periods of high demand, to export the energy stored in the electric vehicle's battery.
<b>"BeFlexible" Project</b>	Developed in Seville, the resources distributed are electric domestic hot water heaters managed by temperature probes that monitor their behaviour and energy consumption. This same control system is used to provide flexibility to the grid, smoothing out demand peaks and trying to resolve possible structural saturations in the distribution network.

In the section on new products and services, a project was launched to use the electricity grid as a network for wireless charging of long-distance drones in order to make better use of existing assets, thus favouring the Circular Economy of distribution grids and facilitating the penetration of new technologies that enable greater digitalisation.

#### 4.4.2.5. Innovation in Energy Trading

In the Supply business, various proof of concepts and pilots have been carried out to validate ideas, as well as testing of new technologies in real environments, new work approaches seeking areas for improvement and optimisation of processes, focused on the continuous improvement of the value proposition to our customers.

In 2023, the main innovation projects in the Supply area were:

<b>Projects</b>	<b>Description</b>
Call centre agent support	A solution that assists telephone agents during customer calls to shorten average call handling time and improve the customer service quality. Through guided processes, agent support tools facilitate the handling of complex processes requiring many validation steps.
Voice biometrics in the call center	Deployment, in the company's contract center, of voice biometrics as an element of customer authentication in call centres, facilitating the validation of security policies in their repeated interactions with Endesa.
RC4ALL	The RC4ALL (Responsible Consumption 4 ALL) project uses Artificial Intelligence and Big Data techniques to generate personalised recommendations for Customers, with the aim of improving consumption efficiency, promoting responsible and efficient consumption, reducing energy consumed and unused, contributing to the decarbonisation of society and meeting the Sustainable Development Goals (SDGs). This project is funded by the Ministry of Science and Innovation and is carried out jointly by Endesa and Comillas-IIT (Institute for Technological Research).
Integration with bank APIs	Solution for access through "APIs" to customers' bank data, thus facilitating automatic management of direct debit payments. This initiative, in line with European PSD2 regulations, allows customers who wish to change their direct debit address in the private area of Endesa's website to select the bank they work with from a list and, with prior consent, access it with their passwords and automatically enter the data required for the change of direct debit address.
Anonymization of sensitive data in customer documents	Enabling an automatic mechanism, fully integrated with the incoming Social Bonus application channels, that can recognize documents not required for this type of request and anonymize the sensitive information found within them, but without destroying them, so that the nature of the document remains recognizable.
Analysis of customers' website/app browsing behaviour	Customer Experience Analytics platform to track and visualise customer digital behaviours. Aspects such as user frustration, navigation fluidity, the degree of "engagement" with the "web/app", the fluidity of interaction with forms, and the technical aspects of the "web" and the "app" (loading speed, response speed, validation errors, etc.) are reviewed.
Confía	Project for the improvement of the management of vulnerable customers, developed jointly with Malaga City Council, the University of Malaga and several collaborators to improve the exchange of information between the public administrations involved, social services and energy companies.
Self-service end-to-end contracting through WhatsApp channel	Creation of an end-to-end sales process through the WhatsApp channel in self-service mode by the means of bots guided by preset automated workflows.
Automating call quality control	Automation of the quality control process of sales confirmation telephone calls by transcribing the audio and extracting the basic parameters of the call (ID number, CUPS, Customer Name, Address


and Product Contracted). The goal is to reduce the average handling time for each call by avoiding the need for QA agents to listen to the entire call.

"PARA Endesa's programme TI": loyalty	Innovative initiative for customer loyalty through a system of points obtained for signing up to the programme, having contracts in place with Endesa, signing new contracts and being more sustainable by activating digital billing. Customers can use the points earned to get discounts on bills and benefits from partner companies and take part in exclusive prize draws.
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### 4.4.3. Circular Economy

Material Topics	Plan	SDGs
Circular economy	 Growth accelerators • Circular economy	 

The objectives of the Sustainability Plan (ESP) 2024-2026 and the closure of these indicators are shown below.

SDGs	Activities	Units	2022	2023	ESP Objectives 2024-2026	
					2024	2026
	Proposal of Circular Economy solutions	No. of new solutions proposed	4	5	4	5

#### Objectives

-  New
-  Redefined objective

### Actions to highlight

1. In 2023, 3,377 tonnes of metal waste were recovered, saving raw materials, energy as well as preventing CO<sub>2</sub> emissions into the atmosphere, as part of the Grid Mining programme and concept.
2. In 2023, 148,000 tonnes of materials were recovered in the decommissioning of thermal plants, achieving a 96% recovery of non-hazardous waste and avoiding the emission of 166,000 tonnes of CO<sub>2</sub> into the atmosphere.
3. Initiatives have been taken to decarbonise infrastructures, achieving reductions in CO<sub>2</sub> emissions and raw materials thanks to the use of recycled and low-CO<sub>2</sub> concrete in electricity substations and medium and low voltage pipelines.

The scope of the information provided in this chapter covers both Endesa, S.A. and its investee companies in Spain and Portugal, the same as in the reports in the Legal Documentation. For more information, see sections 2.1.2.6. *Organisational Structure* and 2. *Report Coverage (ANNEX I: Methodology for Preparing The Report)*. Possible variations to the scope described here are presented throughout the chapter.

#### 4.4.3.1. Circular Approach

The energy transition towards a generation model based on renewable energy sources will reduce the dependence of our economy on fossil fuels, but it will mean the emergence of new demands for materials and raw materials. According to the latest long-term decarbonisation scenarios for large-scale production using renewable generation technologies, the demand for certain materials will multiply in the coming decades, with the production of these raw materials expected to be geographically concentrated in a few countries.

In this context, a circular economy approach to the management of electricity generation and distribution assets is necessary to address challenges such as the supply of materials, the reduction of strategic dependence on sensitive areas such as critical raw materials, and the management of the end of useful life through reuse and recycling.

In fact, recent studies show that the circular economy contributes almost half of the global effort to achieve decarbonisation targets. In this way, the circular economy represents an opportunity to complement the decarbonisation process and combat the current environmental situation more effectively.

Endesa started on the path towards the consolidation of the circular economy some years ago and this is now a key strategic, driving agent in its business, as well as an accelerator of growth across the entire value chain.

With this new approach, Endesa has implemented policies and actions to:

- **Decouple economic activity from the extraction of non-renewable resources**, based mainly on reducing consumption and the habits of using and reusing assets:
  - Reducing the consumption of raw materials through the eco-design, reuse and reconditioning of materials, equipment and facilities.
  - Keeping assets in use, improving predictive and corrective maintenance, and prioritizing repair over replacement of equipment and components.
  - Recycling equipment, components and materials to recover their value and introduce them back into the production system.
- **Regenerating renewable resources and ecosystems** through:
  - Agrivoltaic practices, especially in the construction of photovoltaic parks, that help the sector to actively rebuild biodiversity and safeguard the health of ecosystems.
  - The application of the principles of the circular economy to reduce the consumption of raw materials, as indirectly more land area can be returned to nature and regenerate the ecosystem.

The circular economy is therefore a strategic lever for Endesa, with the aim of gradually decoupling its business activities from the consumption of raw materials and the generation of waste and, consequently, limiting its dependence on raw materials.

#### **4.4.3.2. The Use of Raw Materials for a Circular Energy Transition**

As discussed in the previous section, the shift to a decarbonised energy system will increase the demand for raw materials and, especially, for critical raw materials needed for new low-carbon technologies, such as photovoltaic panels, turbines or batteries. Depending on the emissions reduction scenario considered in 2040, global demand could multiply by four to six times compared to today, so adequate planning is required to ensure its supply.

Accordingly, Endesa is firmly committed to reducing its dependence on critical raw materials as much as possible and, more generally, to rethinking the use of raw materials. In line with one of the elements of the Critical Raw Materials Act (CRMA) for large companies, a risk assessment of the supply chain of strategic raw materials has been carried out.

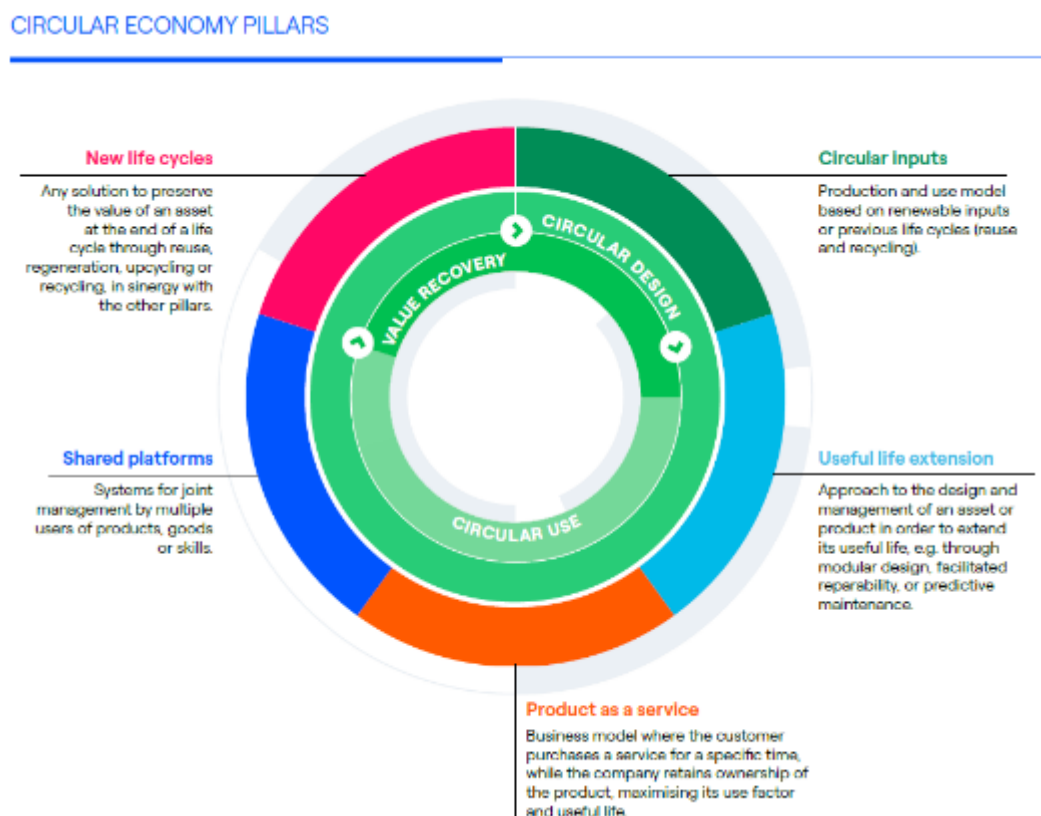
To this end, firstly, a study of the current and future raw material needs has been prepared according to the activities contemplated in the Company's Industrial Plan. Subsequently, the geopolitical risks, economic risks, environmental impacts (with possible disruptions to supply chains) and social impacts associated with the most relevant raw materials have been analysed.

The aim is to identify priority areas for intervention in order to assess new solutions to mitigate risks and impacts related to materials and technologies that use them and to define specific

targets for each raw material supply chain and the associated action plan including recycling, innovation (material substitution) or collaboration with suppliers.

### 4.4.3.3. Top Circular Initiatives

The circular economy strategy is based on five pillars that act through three main levers as shown in the figure below:






Below are the three levers that make up the circular economy strategy.

<b>Circular Design – Circular Materials</b>	The use of recycled materials in the design reduces the consumption of raw materials and with it CO <sub>2</sub> emissions. One of the solutions studied is the use of recycled, low-CO <sub>2</sub> concrete in the construction of distribution network infrastructures and wind farm foundations. Another project investigates the substitution of critical raw materials in lithium-ion batteries.
<b>Circular use – Useful life extension</b>	Whereby keeping assets in service for as long as possible and reducing the need for new ones also reduces the amount of materials required for their manufacture. The most prominent initiatives are those related to circular repowering of wind farms, predictive maintenance of wind turbines, and repair and replacement of wind farm components instead of direct replacement once a failure is detected. In addition, the "Melilla Second Life" project is an example in the sector of reuse and extension of the life of electric vehicle batteries.
<b>Value Recovery – Identifying New Life Cycles</b>	The reuse of assets and the recovery of components and materials is a key activity to recover the value they have at the end of their useful life and reduce the consumption of raw materials. For this reason, important projects such as the electric vehicle battery recycling plant are being implemented. Likewise, new business models are being incorporated to process and valorise assets to improve economic return and obtain secondary raw materials.



On the other hand, the main initiatives developed in 2023 cover the different technologies involved in the energy transition: wind, storage and grid development. The following table summarises the most important initiatives:

	CIRCULAR DESIGN Circular inputs	CIRCULAR USE Extension of useful life	VALUE RECOVERY New life cycles
 Batteries	<ul style="list-style-type: none"> <li>Substitution of Critical Raw Materials in Batteries.</li> </ul>	<ul style="list-style-type: none"> <li>Second Life of Batteries (Melilla)</li> </ul>	<ul style="list-style-type: none"> <li>Battery Recycling Plant.</li> </ul>
 Wind	<ul style="list-style-type: none"> <li>Sustainable construction.</li> <li>Power Boost.</li> </ul>	<ul style="list-style-type: none"> <li>Repair and reuse of components.</li> <li>Predictive Maintenance.</li> </ul>	<ul style="list-style-type: none"> <li>Wind Turbine Blade Recycling Plant.</li> <li>Circular upgrading.</li> </ul>
 Networks	<ul style="list-style-type: none"> <li>Construction of networks with low-carbon concrete.</li> </ul>	<ul style="list-style-type: none"> <li>Equipment repair and reuse.</li> </ul>	<ul style="list-style-type: none"> <li>Grid mining.</li> </ul>
Transversal	<ul style="list-style-type: none"> <li>Confirming Circular.</li> <li>Sustainability K.</li> </ul>		<ul style="list-style-type: none"> <li>Circular models for managing materials at the end of their useful life.</li> </ul>

#### 4.4.3.3.1 Batteries

Technologies for bulk metal recycling are well established, reducing pressure on raw materials. However, this is not yet the case for many other energy transition metals such as cobalt, nickel, lithium or rare earth elements. In this context, Endesa is working with specialised companies to develop an electric vehicle battery recycling plant in Spain (with a target capacity of 8,000 tonnes/year) to recover the critical raw materials in the batteries.

The plant will identify those batteries that still have an additional use and to which it will be possible to give a second life. The others will be subjected to a process to extract the elements of which they are composed. This will make it possible to recycle the materials from the batteries, including aluminium, copper and plastics, as well as the black-mass, which constitutes the fraction rich in critical raw materials which are of great value in Europe, such as cobalt and nickel, which are both essential for the manufacture of batteries.

Another of the circular models evaluated by Endesa is based on a "second life of batteries" approach with the "Melilla *Second Life*" project. The concept of the project is the reuse of electric car batteries that have reached the end of their life cycle and their subsequent use for other applications. In fact, a battery with a residual capacity of 60-80%, despite not being enough to power an electric vehicle (e.g., for a minimum number of kilometres), can still be used effectively in other applications as stationary energy storage.

Finally, projects are being developed that study alternative technologies to "lithium-ion" with the aim of replacing the use of critical raw materials.

#### MAIN CIRCULAR ECONOMY ACTIONS IN BATTERY RECYCLING

Actions	Description	Geographic Scope	Type of action	Participation
<b>Battery Recycling Plant</b>	Facility capable of reusing and recovering electric vehicle batteries.	Iberia	Punctual	Sertego (Urbaser's industrial waste subsidiary)
<b>Melilla Second Life</b>	It consists of a solution based on the grouping of second-life electric vehicle batteries, to provide reliable solutions to the current	Iberia	Punctual	Nissan

#### MAIN CIRCULAR ECONOMY ACTIONS IN BATTERY RECYCLING

Actions	Description	Geographic Scope	Type of action	Participation
	problems in the field of generation in isolated grids.			
<b>Substitution of Critical Materials Batteries</b>	Innovation project that studies alternative technologies to "lithium-ion" with the aim of replacing the use of critical raw materials	Iberia	Punctual	EOS Energy Storage, ESS Inc, Largo Inc

#### 4.4.3.3.2 Wind Installations

Following the principles of circular economy, Endesa applies the philosophy of repairing, restoring and re-using those components that break down in the wind turbines installed in its wind farms in order to reduce costs and consumption of materials. In this way, the life of the components is extended while generating economic activity in the areas where the specialized companies that carry out the repairs are located: Galicia, Aragon, Castilla y León, Madrid and the Canary Islands. In 2023, the replacement of 2,465 components was avoided, resulting in cost savings of 4.1 million euros.

Predictive maintenance initiatives were also carried out, which analyse and monitor operating variables (vibrations, temperature, lubricating or hydraulic oil condition, etc.) to locate faults in wind components (multipliers, bearings, generators and transformers) of wind turbines. Early detection of the fault makes it possible to repair the component before the failure occurs, which resulted in a saving of 2,1 million euros in 2023.

Likewise, in 2023, seven circular wind repowering projects were submitted for aid under the "Circular Repowering" programme, in which a commitment was made to incorporate the actions contemplated in the circular economy best practice reports attached. Actions focused on the second life of equipment such as wind turbine blades, tower sections, nacelles, etc. As a result, grants have been accepted for six of the seven projects awarded, amounting to a total of 103 MW and a total of 17.6 million euros in grant aid.

A specific project that was started in 2022 is the "Power Boost", which consists of implementing a new version of software to obtain various improvements in the power curve of the turbines to thus increase energy production. In 2023, the increase in energy production was 6,570 MWh. This action improves the circularity of Endesa's facilities, increasing the ratio of energy produced in relation to the resources consumed.

In relation to wind turbine blades, new uses and recycling processes are currently being investigated. Specifically, Endesa has worked with expert companies in the construction and waste management sector on the feasibility of building a wind blade recycling plant. The objective of the plant is to recycle the blades of disused wind turbines and convert them into raw material for new products, giving new useful life to these components. This type of collaboration works on developing a complete value chain that enables a circular process to be generated for this type of materials and their recycling and re-use to be encouraged. This activity is funded under the "BLADES2BUILD" research project of the HORIZON Europe framework programme.

#### MAIN CIRCULAR ECONOMY ACTIONS RELATED TO WIND POWER FACILITIES

Actions	Description	Geographical scope	Type of action	Participation
<b>Repair and reuse of wind components</b>	Maintenance of wind farms based on repair and reuse.	Galicia, Aragon, Castilla y León, Madrid and the Canary Islands	Systematic	Suppliers
<b>Predictive Maintenance</b>	For locating faults in wind turbine components.	Spain	Systematic	Suppliers

#### MAIN CIRCULAR ECONOMY ACTIONS RELATED TO WIND POWER FACILITIES

Actions	Description	Geographical scope	Type of action	Participation
<b>Power Boost</b>	Improvement of the power curve to increase energy production.	Spain	Systematic	Turbine Manufacturers
<b>Wind turbine blade recycling plant</b>	Blade recycling plant in Cubillos del Sil (León).	Iberia	Punctual	PreZero (industrial waste treatment company)

#### 4.4.3.3.3 Infrastructure Construction

As part of the decarbonisation process, Endesa is also redesigning its construction processes to develop sustainable infrastructures under a "circular design" approach, using sustainable solutions that reduce environmental impact and bring benefits to society.

To accelerate the construction of sustainable infrastructures and, consequently, reduce the consumption of materials and CO<sub>2</sub> emissions, in 2023 Endesa successfully carried out two pilot tests with the aim of testing sustainable concrete solutions based on cement with a low carbon footprint in collaboration with suppliers from the construction sector. In the first, at the Zumajo electricity substation (Vejer de la Frontera), low-CO<sub>2</sub> concrete was used instead of conventional concrete in the civil works. Low CO<sub>2</sub> concrete reduces CO<sub>2</sub> emissions by 58% compared to conventional concrete. In the second, 100% recycled and low-CO<sub>2</sub> concrete has been used in connections and pipes in the "Barcelona South" distribution area. The new solution reduces CO<sub>2</sub> emissions by 32% and the raw materials used by up to 42% compared to conventional concrete. In addition, the extension of the solution to other Endesa distribution areas has been analysed.

#### MAIN CIRCULAR ECONOMY ACTIONS IN INFRASTRUCTURE CONSTRUCTION

Actions	Description	Geographic Scope	Type of action	Participation
<b>Pilot test. Zumajo substation low in CO<sub>2</sub> emissions</b>	In which 2,000m <sup>3</sup> of conventional concrete used in civil works, mainly in foundations, is replaced by sustainable concrete made with cement with a 70% lower carbon footprint.	Jerez de la Frontera (Cádiz)	Punctua	Holcim
<b>Pilot test. Recycled and low CO<sub>2</sub> concrete for pipes</b>	It consists of the use of 100% recycled and low-CO <sub>2</sub> concrete in the pipes that are made in the distribution area of southern Barcelona. The possibility of extending the solution to other Endesa territories has also been analysed.	South Barcelona	Punctual	Holcim, Distribution Contractor

#### 4.4.3.3.4 Grid Mining

Based on the concept of urban mining, which considers urban centres as mines from which existing resources and materials can be used at the end of the useful life of products, avoiding as much as possible the extraction of new resources, Endesa is developing the "Grid Mining" concept. "Grid Mining" is the extension of the concept of urban mining, created in the context of the circular economy and applied to electrical infrastructures. In this way, it tries to model the characteristics and composition of the resources of the "mine", and to understand how the flow of materials behaves. The idea behind the "Grid Mining" programme is to roll out actions in the different stages of the value chain, aimed at retaining the value of the assets that make up Endesa's distribution network: From procurement, including circular economy criteria that increase the percentages of recycled and recyclable materials, to the end-of-life stage, incorporating reverse logistics actions with suppliers or better treatment methods that increase the recovery percentages.

The distribution network is made up of lines, metal towers, transformers and other elements. From a material point of view, it mainly contains metals (copper, aluminium, iron and steel) as well as plastics and ceramics.

In particular, almost 100% of the metal waste generated is recovered. In 2023, 3,377 tonnes of metal waste were recovered, with the resulting reduction in the use of raw materials, energy and lower CO<sub>2</sub> emissions.

#### 4.4.3.3.5 Plant Closure

Endesa is especially committed to thermal power plants that are in the final stage, before closing down. The dismantling of the power plants has been approached with a global vision. This is the framework for the Futur-e projects of Andorra (Teruel), Compostilla (León) and Litoral (Almería), to which the As Pontes (La Coruña) project has been incorporated this year 2023, and which include the concept of circularity both in the reuse of the site and infrastructures, seeking new reindustrialisation and business development activities in the territory, and in its own decommissioning.

In terms of new activities, the aim is to take advantage of the energy potential of the site through renewable projects, and when this is not possible, to look for third-party industrial alternatives through a series of international calls for projects to attract economic activity and employment to the area with the possibility of reusing part of the existing sites and infrastructures.

With regard to the decommissioning of plants, including the Compostilla, Teruel, Litoral, As Pontes, Alcudia and the repowering of the Arinaga wind farm, Endesa applies the principles of the circular economy to seek a second life for equipment, components and materials in the "Spare parts and equipment New Life" project. Analysing the possibility of their internal reuse in other facilities of the company or through their sale to third parties, seeking a second life when they cannot be reused internally. This activity has meant that, in 2023, the internal use of 5,495 warehouse references, achieving cost savings of 3 million euros, and the reuse of 1,600 pieces of equipment from the plants, as well as reducing waste production. On the other hand, 1.5 million euros worth of non-reusable warehouse components and plant equipment have been sold to third parties.

With regards to equipment and materials that cannot be reused, Endesa is changing the conception of waste for that of materials, understanding that such waste can be re-used in other production processes, which entails no extraction of new raw materials. This approach is a requirement that the company incorporates into the contractual conditions of the companies awarded the dismantling of the plants through a "Circular Decommissioning Plan".

The Circular Decommissioning Plan includes a series of indicators, which are reviewed at regular intervals, and which can show the results obtained in a simple way, thanks to the measures applied, such as the recovery of more than 90% of the non-hazardous waste at the end of the construction project. Specifically, in 2023, 148,000 tonnes of materials were recovered in the decommissioning of power plants, achieving a 96% recovery of non-hazardous waste and avoiding the emission of 166,000 tonnes of CO<sub>2</sub> into the atmosphere.

#### MAIN ACTIONS IN CIRCULAR ECONOMY IN PLANT CLOSURES

Actions	Description	Geographic Scope	Type of action	Participation
<b>Reuse and sale of equipment from decommissioning plants</b>	Analysing the possibility of their internal reuse in other facilities of the company or through their sale to third parties, seeking a second life when they cannot be reused internally.	Compostilla, Teruel, As Pontes and Litoral	Systematic	Demolition and industrial waste companies, and NGOs.
<b>Recovery of materials from plants being decommissioned</b>	The Circular Decommissioning Plan includes the obligation to recover more than 90% of non-hazardous waste at the end of the work.	Compostilla, Teruel, As Pontes and Litoral	Systematic	Demolition & Industrial Waste Companies

#### MAIN ACTIONS IN CIRCULAR ECONOMY IN PLANT CLOSURES

Actions	Description	Geographic Scope	Type of action	Participation
<b>Sale of limestone from thermal power plant</b>	Stockpiled ore in the limestone mine that was used in the desulphurisation plant.	Teruel	Punctual	Agricultural Holdings of Aragon

Finally, Endesa is working on a new operating model focused on improving the asset management strategies of the different business lines when they reach the end of their life. The goal is to improve the circularity of assets through new life cycles and increase the economic return on operations. In 2023, various actions and initiatives were carried out that have made it possible to give a second use to and recover a total of 200 tonnes of materials.

#### 4.4.3.3.6 Supply Chain

Endesa is working to prioritise the acquisition of goods and the contracting of projects and services that minimise the negative environmental impacts and the generation of waste during its life cycle. In addition, to promote this transformation of procurements, awards are favoured to those suppliers that stand out in their commitment to the transition to the circular economy. The way to do this is through a parameter called "K for sustainability" that is applied to positively weigh those offers that meet the established sustainability and circular economy criteria. In 2023, and as a result of this policy, Endesa introduced indicators relating to sustainability in more than 95% of the tendered amount.

Also, through the application for EPDs (Environmental Product Declaration), material passports, certifications related to the carbon footprint and self-declarations related to circularity, the use of products made with recycled or low-emission materials, the reuse and recycling of waste and participation in projects for the reuse of products or their components once they reach the end of life are encouraged.

Along the same lines, Endesa continues to promote the financial solution it launched at the end of 2022 for suppliers, Confirming Circular, which aims to improve their competitiveness by reducing their financing costs, while at the same time rewarding their good sustainable practices and, more specifically, their actions to make progress in the circular economy. In 2023, more than 1,700 suppliers have had access to more advantageous conditions.

#### MAIN ACTIONS IN CIRCULAR ECONOMY IN THE SUPPLY CHAIN

Actions	Description	Geographic Scope	Type of action	Participation
<b>Incorporation of "K for sustainability" parameter in tenders</b>	Incorporation of a factor to positively weight bids in tenders with a higher degree of circularity.	Iberia	Systematic	Supply Chain
<b>Promotion of ecodesign in products and services to be contracted</b>	Application for the main purchasing families for certifications related to the impact and optimal use of raw materials used in manufacturing.	Iberia	Systematic	Supply Chain
<b>Confirming Circular</b>	Financial tool that rewards the circular behaviours of suppliers.	Iberia	Systematic	Supply Chain

#### 4.4.3.4. A New Circular Culture

Endesa is actively working to promote a circular culture, both internally and externally. For this reason, Endesa promotes aspects related to the circular economy among its employees with the aim of highlighting them in the different business areas. Along these lines, a training cycle has been initiated for account managers of clients linked to the public administration, so that they can share with municipal and regional institutions the advantages and opportunities offered by the circular economy. In 2023, the training course was held for territorial managers in Andalusia, Extremadura, Ceuta and Melilla.



Likewise, in academic terms, we have collaborated with the CIEC (Circular Economy Innovation Centre) linked to Madrid City Council by participating in events aimed at disseminating and raising awareness of the Circular Economy in the business environment and specifically the role of energy in the application of circularity strategies. Also, in relation to the "Confirming Circular" product, workshops have been held for suppliers focused on the implications and advantages of obtaining the carbon footprint for an organisation, mainly SMEs. In total, more than three hundred suppliers participated. Continuing with the actions carried out with suppliers, it is worth highlighting the training on sustainability and circular economy applied to SMEs, carried out by the Global Compact, which was attended by more than 250 suppliers invited by Endesa.

In addition, an important initiative in terms of disseminating knowledge related to sustainability and the circular economy is "Ask an Expert", a series of seven videos (accessible on YouTube) in which experts linked to Endesa, whether internal or external, explain the solutions to important challenges for the future of the planet through brief and simple interventions.

#### 4.4.4. Our Commitment to Sustainable Finance



The objectives of the Sustainability Plan (ESP) 2024-2026 and the closure of these indicators are shown below.

SDGs	Activities	Units	2022	2023	ESP Objectives 2024-2026	
					2024	2026
 	Gross debt linked to sustainability issues	%	65	67	>80% of gross debt in 2024-2026 period	

##### Objective



New



Objective redefined

The scope of the information provided in this chapter covers both Endesa, S.A. and its investee companies in Spain and Portugal, the same as in the reports in the Legal Documentation. For further information, see sections 2.1.2.6. *Organisational Structure and 2. Report Coverage (ANNEX I: Methodology for Preparing the Report)*. Possible variations to the scope described here are presented throughout the chapter.

##### 4.4.4.1. Sustainable Finance

During 2023, the European Central Bank continued with a monetary policy based on interest rate increases, which began in mid-2022, aimed at controlling inflation. In the case of Spain, the 1-year Euribor yield reached 4.1% last October, which is a reference to the increase in financing costs, especially in the short term.

In this context of increasing financing costs, Endesa is strengthening its commitment to sustainability, maintaining sustainable finances as part of its financial strategy and helping to achieve the targets set in the Strategic Plan.

In 2023, the amount formalised in sustainability-related transactions reached 19,325<sup>24</sup> million euros, maintaining its positioning in sustainable finance and establishing new milestones in this area, including most notably:

- The incorporation of a new KPI linked to the percentage of capital expenditure (CapEx) aligned with the EU Taxonomy Regulation for 2023 and successive periods, starting with the signing in March 2023 of new long-term bank loans for a total amount of 625 million euros.
- The renewal of the Promissory Note Programme, linked to the new Capital Expenditure (CapEx) percentage KPI aligned with the EU Taxonomy Regulation in 2023, for an amount of 5,000 million euros, should again be highlighted.

<sup>24</sup>See section 7: Alternative Performance Measures (APMs) of the Consolidated Management Report 2023.

- The formalisation of new financing operations whose terms are linked to the reduction of CO<sub>2</sub> emissions with the European Investment Bank (EIB) for a total amount of 450 million euros.
- The formalisation of a new financing operation linked to the reduction of CO<sub>2</sub> emissions with the Official Credit Institute (ICO), amounting to 300 million euros, to finance investment in renewable energies.
- Formalisation of sustainability-linked interest rate derivatives in the amount of 300 million euros.

Endesa's gross financial debt with sustainable incentives as a percentage of total gross financial debt has increased to 67%<sup>25</sup> at the end of 2023 financial year. The new 2024-2026 Strategic Plan sets a target of 80% by the end of 2026.

#### 4.4.4.2. European Taxonomy

##### Our commitment to the European Taxonomy

**Endesa welcomes the development of the EU Taxonomy Regulation 852/2020**, as it provides a standardized, science-based classification system to identify environmentally sustainable economic activities.

The EU Taxonomy Regulation acts as an important enabler to promote sustainable investments and accelerate the decarbonization of the European economy, while at the same time creating reliability and transparency for investors and supporting companies in planning the Net-Zero transition.

**Endesa is committed to reporting on the implementation of Article 8 of the EU Taxonomy Regulation.** Furthermore, Endesa is committed on implementing the requirements and criteria in all delegated acts issued by the European Commission by the time of publication of 2023 Sustainability Report, namely (in chronological order):

- Delegated Regulation (EU) 2021/2139 of 4 June 2021 (Climate Delegated Act)
- Delegated Regulation (EU) 2021/2178 of 6 July 2021 (Disclosures Delegated Act)
- Delegated Regulation (EU) 2022/1214 of 9 March 2022 (Complementary Climate Delegated Act)
- Delegated Regulation (EU) 2023/2485 of 27 June 2023 amending the Climate Delegated Act)
- Delegated Regulation (EU) 2023/2486 of 27 June 2023 (Environmental Delegated Act)

In particular, concerning the **Climate Delegated Act**, which lays out the criteria for verifying the contribution to climate mitigation and adaptation, Endesa welcomes the different thresholds defined in the EU Taxonomy Regulation on the basis of climate and environmental sciences, such as the specific emission limit of 100 gCO<sub>2</sub>eq/kWh (taking the whole life cycle into consideration) to measure the substantial contribution to achieving the climate change mitigation objectives established for most power generation technologies, in that it stems from a solid process based on a robust scientific foundation.

However, there are some activities that, although not covered under this Delegated Act, are critical to ensuring the wellbeing of European citizens, especially in the short and medium term, while contributing to sustainable development in the long term.

The most relevant activity excluded from the delegated act relates to the **electricity sales in the retail market**, assuming that it does not make a substantial contribution to climate change mitigation. The exclusion of this activity from the definition of a sustainable energy system hinders the key role of EU market liberalization and ultimately the efforts and value of decarbonized final

<sup>25</sup> See section 7: Alternative Performance Measures (APMs) of the Consolidated Management Report 2023.



energy consumption. Furthermore, electrification, promoted through renewable energy, is the most efficient and cost-effective solution to tackle climate change, as it is clean, affordable and highly efficient, as well as the only way to a truly clean energy system. **Consequently, Endesa is firmly convinced that the EU Taxonomy should explicitly consider retail power activity as an eligible activity relying its alignment on the same criteria defined for electricity production activities.** In this way, power sales to end customers would be linked to the production source, promoting retailers to sell power from sustainable sources. This fact is even more relevant in integrated utilities that, even though operate in the power production and power retail segments with different companies within the same Group, the business model is run following a comprehensive and unique view of the whole power value chain.

On the other hand, an important step forward was taken on June 2023 for the completion of the formative process through the publication of the **Environmental Delegated Act**, which sets out the technical screening criteria also for the remaining four objectives concerning the sustainable use and protection of water and marine resources, the transition to a circular economy, the prevention and reduction of pollution, or the protection and restoration of biodiversity and ecosystems. Despite of the relevant role of this delegated act for the overall sustainable development of the European Union, the impact on the electricity sector is much limited as most of the identified business activities do not fall within the sector, as opposite as the climate delegated act. However, few non-core business activities performed by Endesa have been identified due to their contribution to two environmental objectives (the protection and restoration of biodiversity and ecosystem and circular economy objective), although all of them with a marginal impact in terms of financial metrics.

Going beyond the disclosure requirements of the Taxonomy, Endesa has included the **CapEx alignment** percentage as one of the key performance indicators of the **Sustainability-Linked Financing Framework** used to define the Company's sustainable financial instruments for the second consecutive year. With this important move forward, Endesa reinforces the role of the Taxonomy as a driver to promote sustainable investment decisions and show how sustainability can be fully integrated into the financial landscape. Consequently, for the second year in a row, Endesa confirmed its target on the proportion of CapEx aligned to the EU Taxonomy equal to or higher than 80% for the period 2024-2026.

## Our Implementation Process

### IMPLEMENTATION PROCESS AT ENDESA



By means of a process overseen by the CEO and Top Management, involving the relevant Functions at corporate and Country level, as well as all Business Lines, a structured process is in place, articulated in five-step, to analyze the applicability of the EU Taxonomy Regulation throughout the entire value chain and in all countries where we operate.

- 1. Identification of eligible economic activities:** Endesa has identified all activities within the company's portfolio that are included in the Climate Delegated Act, the Complementary Delegated Act and in the newly published Environment Delegated Act

on the remaining four objectives. The process was conducted by taking into consideration all six objectives, even though the company is mostly exposed to climate change mitigation and adaptation objectives while marginally to the other four objectives. Namely, only the following minor activities related to protection and restoration of biodiversity and ecosystem and circular economy were identified as eligible even though they are not material for the company: “sale of spare parts” and “conservation, including restoration, of habitats, ecosystems and species”.

## 2. Analysis of substantial contribution:

**2.1 Climate change mitigation:** eligible activities identified in the previous phase have been thoroughly analyzed for their compliance with the specific technical screening criteria established to measure their substantial contribution to climate change mitigation. The analysis was carried out following the criteria both in the Climate Delegated Act and Complementary Delegated Act, namely:

**A. Technological analysis for power generation activities.** The threshold of 100 gCO<sub>2</sub>eq/kWh measured on a life cycle basis was met according to the following technological approach:

- **Coal and liquid fossil fuels:** technology excluded from the EU Taxonomy Regulation;
- **Gas:** the compliance with the threshold of 100 gCO<sub>2</sub>/kWh set out in the Complementary Delegated Act has been analyzed in all of gas power plants, while the potential compliance with the alternative criteria set out in the delegated act has also been checked.
- **Nuclear:** the company has analyzed the eligibility of the three different activities related to electricity production from nuclear identified in the complementary delegated act according to its nuclear assets portfolio in Spain.
- **Wind, solar and battery storage:** these are exempt from the carbon intensity threshold verification due to their substantial contribution to climate change mitigation.
- **Hydroelectric power:** the carbon intensity threshold was verified only in power plants with a power density below 5 W/m<sup>2</sup>. All power plants with a power density above 5 W/m<sup>2</sup>, as well as flowing water plants and pumped storage plants, are exempt from the threshold verification.

**B. Analysis at country, region and system level for the transmission and distribution of electricity.** Compliance with the following technical screening criteria was analyzed in the countries where Endesa distributes electricity:

- The Distribution System Operator (DSO) is part of the European interconnected system.
- Infrastructure dedicated to creating a direct connection or expanding an existing direct connection between a substation or network and a power production plant that is more greenhouse gas intensive than 100 gCO<sub>2</sub>eq/kWh measured on a life cycle basis has been identified and excluded from the eligible aligned DSOs activities.

**C. Product cluster level analysis for Endesa X Global Retail (Business Line).** A comprehensive analysis of the portfolio was performed, classifying eligible activities into the sectors identified in the Climate Delegated Act, such as construction and real estate, transportation, or professional, scientific, and technical activities.

**2.2 Climate change adaptation:** None of the business activities performed by Endesa can be considered as enabling activities for climate adaptation as they do not provide adaptation solutions in accordance with Article 11 (1)(b) of the Taxonomy Regulation, hence no revenues can be considered eligible for this target.

Nevertheless, some business activities performed by Endesa are considered adapted as they include adaptation solutions in accordance with Article 11 (1)(a) of the Taxonomy Regulation. In this case, capital expenditures and operational expenditures devoted to the adaptation solutions may be accounted for the climate adaptation objective. In the case of Endesa, most of the adaptation solutions are inherent part of the design or refurbishment of assets that themselves are aligned to climate change mitigation objective, making it difficult to distinguish CapEx from each of the two climate objectives (mitigation and adaptation). Therefore, and following the guidelines set out in the European Commission Notice 2023/305, full CapEx and OpEx figures have been reported under climate change mitigation objective only, as this is the prevalent objective for Endesa, hence avoiding any potential double counting.

Further information on Endesa approach to climate adaptation can be found in *chapter 4.1. OUR ZERO EMISSIONS AMBITION* and in *chapter 2.4.1. Risk Management*.

**2.3 Other environmental objectives:** The analysis of the alignment of the two minor activities related to protection and restoration of biodiversity and ecosystem and circular economy was not performed for the purpose of the 2023 Sustainability Report and will be disclosed next year in coherence with the timeline established in the Environmental Delegated Act.

- 3. Assessment of the principle of Do No Significant Harm (DNSH) to other objectives:** an analysis of existing environmental procedures was carried out to verify compliance with the DNSH quality criteria for each type of technology (for power generation), region (for transmission and distribution) and product cluster level (for activities of the Endesa X Global Retail -Business Line-), adapted to the specific requirements set out for each of the following environmental objectives:
- Climate change mitigation: applicable only for those activities that are eligible for climate adaptation or any of the other four objectives. In this case, the criteria are considered met as the same activities performed by Endesa that might contribute to climate adaptation definitely contribute to climate mitigation, meaning that they meet the technical screening criteria of climate mitigation, which are equivalent or more demanding than the corresponding DNSH criteria on climate mitigation.
  - Adaptation to climate change: analysis of global procedures (including emerging and restoration procedures), assessment of physical climate risks and solutions and adaptation plans in place covering all applicable activities related to power generation, transmission and networks and Endesa X Business Line.
  - Sustainable use and protection of waters and marine resources: analysis of water related procedures, authorizations, environmental impact assessments, national regulations and water management plans. The analysis was limited to power generation activities, as it is not applicable to other Business Lines.
  - Transition to a circular economy: analysis of waste management plans, procurement requirements and circular economy projects and plans covering all activities applicable to the generation, transmission and distribution of electricity and to the products of the Endesa X Business Line.
  - Pollution prevention and control: analysis of global procedures and national regulations concerning all applicable activities from power generation, transmission and networks. In addition, specific pollutants were further analyzed, including electromagnetic radiation and PCBs for transmission and networks, and emissions from power generation activities for air quality.

- Protection and restoration of biodiversity and eco-systems: analysis of global procedures and national regulations covering all applicable activities from power generation, transmission and distribution.

**4. Assessment of the minimum social safeguards:** the company's human rights due diligence process covers the entire perimeter of Endesa. Our commitment to respect human rights is grounded in the United Nations framework "Protect, Respect and Remedy", set out in the guiding principles on business and human rights, and in the OECD guidelines for multinational enterprises.

Since 2013, Endesa has adopted a specific human rights policy reflecting its commitment, which was updated in 2021 to take into account the evolving international frameworks of reference and our operating, organizational and managerial processes. The content of the policy refers to internationally recognized human rights – understood, at a minimum, as those expressed in the International Bill of Human Rights and the principles concerning the fundamental rights set out in the International Labour Organization conventions underlying the Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy.

For Endesa's approach to human rights, phases in the due diligence process, and communication of findings and (possible) remediation plans, please see sections 2.4.3. *Our respect for human rights* and 4.7.1. *Human Rights*.

The following table illustrates our approach to the minimum safeguards criteria.

<b>MINIMUM SAFEGUARDS CRITERIA</b>	
<b>Human rights</b>	<ul style="list-style-type: none"> <li>➤ The main reference international standards underpinning Endesa commitment are the United Nations "Protect, Respect and Remedy" framework outlined in its guiding principles on business and human rights and the OECD guidelines for multinational enterprises. The Company commitment is transparently reflected in a specific policy on Human Rights<sup>26</sup> developed and adopted as early as 2013 and refreshed in 2021;</li> <li>➤ Endesa has committed to monitor the implementation of the policy through a specific due diligence<sup>27</sup> process in line with the UN Guidelines and by the OECD Due Diligence Guidance for Responsible Business Conduct, and has developed a specific process of due diligence of human rights. For more details refer to the section "Managing human rights".</li> </ul>
<b>Corruption</b>	<ul style="list-style-type: none"> <li>➤ As reflected in Endesa Human rights policy, Endesa rejects corruption in all its forms, both direct and indirect, since the company believes it is one of the factors undermining institutions and democracy, ethical values and justice, and the wellbeing and development of society.</li> <li>➤ To this end, Endesa reiterates its commitment to fight corruption through a plan called Zero Tolerance Plan Against Corruption<sup>28</sup> which is one of the pillars on which its Anti-bribery Management System<sup>29</sup> is grounded and in its Code of ethics<sup>30</sup>.</li> </ul>
<b>Taxation</b>	<ul style="list-style-type: none"> <li>➤ Endesa has set out a tax strategy<sup>31</sup> at to ensure a fair, responsible and transparent taxation, with the aim of guaranteeing consistent and uniform tax management across all entities. The company tax management activity is based on the concurrent objectives of               <ul style="list-style-type: none"> <li>○ The correct and timely calculation and payment of due taxes, and fulfilment of the related obligations;</li> <li>○ The mitigation of tax risk, defined as the risk of violating tax laws, or of abusing the principles and purposes of tax regulations. For additional details, please refer to the Chapter 4.7.4. <i>Tax transparency</i>.</li> </ul> </li> </ul>
<b>Fair Competition</b>	<ul style="list-style-type: none"> <li>➤ Endesa promotes the principle of fair competition and refrain from collusive or predatory conduct and abuses of a dominant position, as reflected in its Code of Ethics.</li> </ul>

<sup>26</sup> [Human rights policy](#)

<sup>27</sup> In the context of the Guiding Principles on Business and Human Rights (Principles 17-21), this term refers to a continuously evolving management system implemented by a company, in accordance with the sector in which it works, its operating contexts, its organizational structure, to ensure it is not involved in human rights violations. This implies "identifying, preventing, mitigating and reporting" potential negative impacts deriving from the Company's business activities

<sup>28</sup> ["Zero Tolerance of Corruption"](#)

<sup>29</sup> [Criminal risk and antibribery prevention model](#)

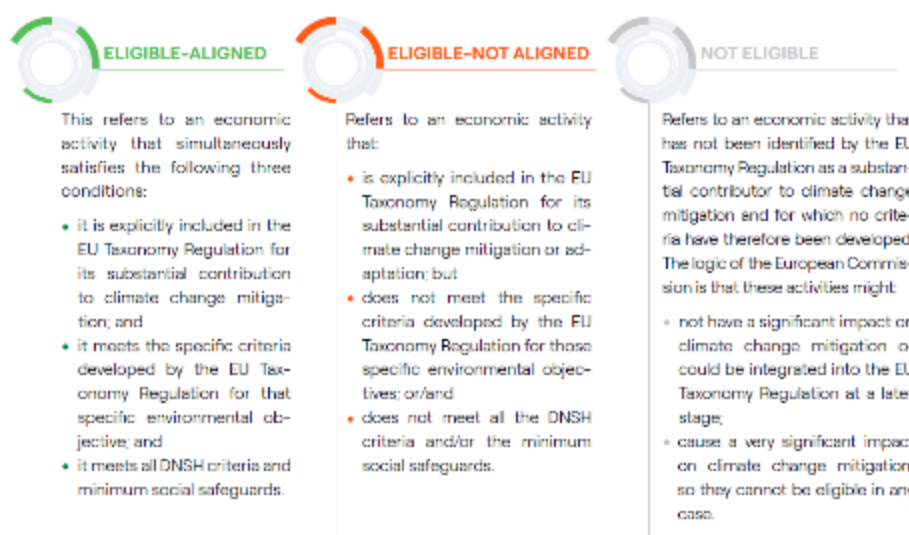
<sup>30</sup> [Code of ethics](#)

<sup>31</sup> [Endesa's tax strategy](#)

**5. Calculation of financial metrics:** the corresponding financial metrics were associated with each economic activity according to the classification made in steps 1-4, collecting the relevant financial information from the company's accounting system. In addition, some proxies have been performed for specific activities when financial information was not available in the accounting system (described in the section on the calculation of financial metrics).

Through this process, Endesa classified all economic activities along its value chain for their contribution to climate change mitigation objective according to the following three categories: taxonomy eligible and aligned, taxonomy eligible but not aligned, and taxonomy not eligible.

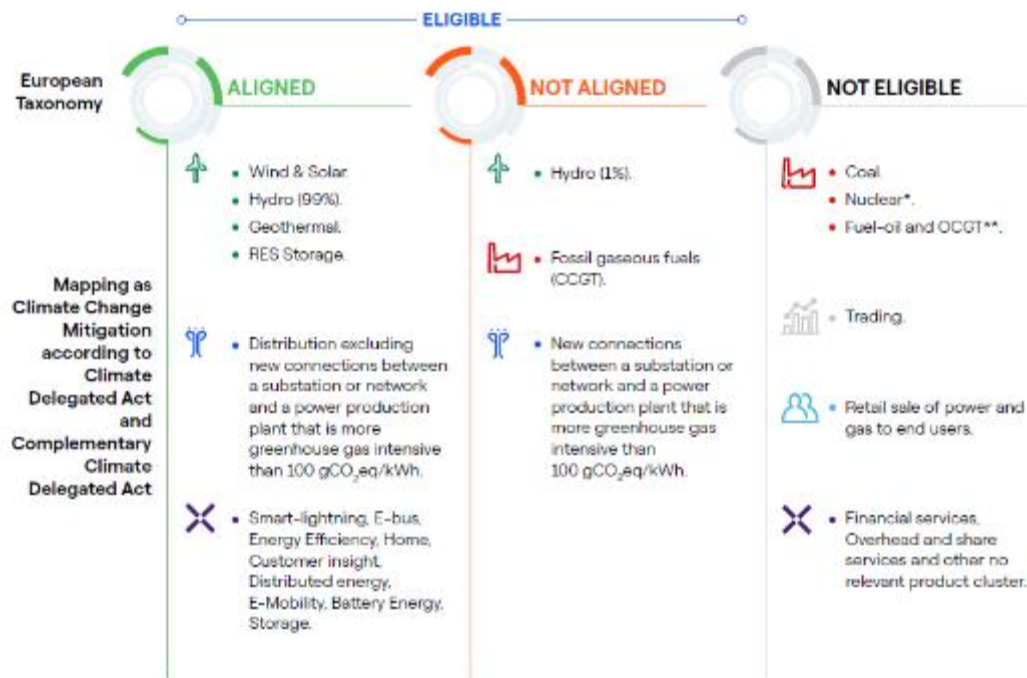
#### ELIGIBILITY OF ENDESAS'S ACTIVITIES



Consequently, the existence of the third category “not eligible” makes it impossible to achieve a business model that is fully aligned with the criteria of the EU Taxonomy Regulation, even though these not eligible activities might not cause any harm to the EU’s environmental objectives.

## Mapping of Endesa's business activities for their contribution to climate change mitigation

### ELIGIBILITY OF ENDESA'S ACTIVITIES



\* The operation of nuclear fleet does not fit within the eligible activities considered by the Complementary Delegated Act concerning electricity production from nuclear

\*\* It includes both fuel-oil and gas (CCGT) as the breakdown between the two types of fuels cannot be performed. It has been considered fuel-oil as the prevalent fossil fuel and hence not eligible according to the EU Taxonomy Regulation.

In 2023, Endesa updated its eligibility analysis according to the process and the new definition for the three categories described above and pursuant to the final version of the Climate Delegated Act published in the Official Journal of the European Union in December 2021, while also the Complementary Delegated Act publishes in the Official Journal of the European Union in July 2022. The following three tables summarize the results of this analysis concerning Endesa's contribution to climate change mitigation objective.

#### Eligible-Aligned activities

Business Line	Activity	Description of the activity (according to the EU Taxonomy Regulation)	Condition for being considered eligible-aligned
Power generation	Electricity generation from wind power	(4.3) - Construction or operation of electricity generation facilities that produce electricity from wind power.	100% of the installed capacity is eligible and aligned because: <ul style="list-style-type: none"> <li>➤ It makes a substantial contribution to climate change mitigation as no specific technical screening criteria are required;</li> <li>➤ It complies overall with DNSH criteria for the following applicable objectives: adaptation, circular economy and biodiversity;</li> <li>➤ It complies overall with minimum social safeguards.</li> </ul>

Business Line	Activity	Description of the activity (according to the EU Taxonomy Regulation)	Condition for being considered eligible-aligned
	Electricity generation using solar photovoltaic technology	(4.1) - Construction or operation of electricity generation facilities that produce electricity using solar photovoltaic (PV) technology.	<p>100% of the installed capacity is eligible and aligned because:</p> <ul style="list-style-type: none"> <li>➤ It makes a substantial contribution to climate change mitigation as no specific technical screening criteria are required;</li> <li>➤ It complies overall with DNSH criteria for the following applicable objectives: adaptation, circular economy and biodiversity;</li> <li>➤ It complies overall with minimum social safeguards.</li> </ul>
	Electricity generation from hydropower	(4.5) - Construction or operation of electricity generation facilities that produce electricity from hydropower.	<p>98.8% of the installed capacity is eligible and aligned because:</p> <ul style="list-style-type: none"> <li>➤ It makes a substantial contribution to climate change mitigation, since it includes all flowing water plants, all pumped storage plants, all reservoir plants with a power density above 5 W/m<sup>2</sup> and all reservoir plants below 5 W/m<sup>2</sup> with a life cycle greenhouse gas intensity below 100 gCO<sub>2</sub>eq/kWh as certified by G-RES;</li> <li>➤ It complies overall with DNSH criteria for the following applicable objectives: adaptation, water and biodiversity;</li> <li>➤ It complies overall with minimum social safeguards.</li> </ul>
	Storage of electricity (batteries)	(4.10) - Construction and operation of facilities that store electricity.	<p>100% of the installed capacity is eligible and aligned because:</p> <ul style="list-style-type: none"> <li>➤ It makes a substantial contribution to climate change mitigation as no specific technical screening criteria are required;</li> <li>➤ It complies overall with DNSH criteria for the following applicable objectives: adaptation, circular economy, water and biodiversity;</li> <li>➤ It complies overall with minimum social safeguards.</li> </ul>
Infrastructure and Networks	Transmission and distribution of electricity	(4.9) - Construction and operation of transmission systems that transport the electricity on the extra high-voltage and high-voltage interconnected system. Construction and operation of distribution systems that transport electricity on high-voltage, medium-voltage and low-voltage distribution systems.	<p>The DSOs are aligned in that:</p> <ul style="list-style-type: none"> <li>➤ They make a substantial contribution to climate change mitigation as the DSOs in Spain are part of the European interconnected system;</li> <li>➤ They comply overall with DNSH criteria for the following applicable objectives: adaptation, circular economy, pollution and biodiversity.</li> <li>➤ Some infrastructures have been excluded from these DSOs (refer to eligible but not aligned activities).</li> </ul>
Endesa X	Smart lighting (City)	Installation, maintenance and repair of energy efficiency equipment (7.3) - Installation and replacement of energy efficient light sources (7.3 d).	<p>The whole activity is aligned with the requirements because:</p> <ul style="list-style-type: none"> <li>➤ It makes a substantial contribution to climate change mitigation as no specific technical screening criteria are required;</li> <li>➤ It complies overall with DNSH criteria for the adaptation and pollution goals;</li> <li>➤ It complies overall with minimum social safeguards.</li> </ul>

Business Line	Activity	Description of the activity (according to the EU Taxonomy Regulation)	Condition for being considered eligible-aligned
	E-bus (city)	Urban and suburban transport, road passenger transport (6.3) - The activity provides urban or suburban passenger transport and its direct (tailpipe) CO2 emissions are zero (6.3 a).	<p>The whole activity is aligned with the requirements because:</p> <ul style="list-style-type: none"> <li>➤ It makes a substantial contribution to climate change mitigation as no specific technical screening criteria are required;</li> <li>➤ It complies overall with DNSH criteria for the applicable objectives: adaptation, circular economy and pollution;</li> <li>➤ It complies overall with minimum social safeguards.</li> </ul>
	Energy efficiency (City)	Installation, maintenance and repair of energy efficiency equipment (7.3); Addition of insulation to existing envelope components, such as external walls (including green walls), roofs (including green roofs), lofts, basements and ground floors (including measures to ensure air-tightness, measures to reduce the effects of thermal bridges and scaffolding) and products for the application of the insulation to the building envelope (including mechanical fixings and adhesive) (7.3 a); Replacement of existing windows with new energy efficient windows (7.3 b); Replacement of existing external doors with new energy efficient doors (7.3 c); Installation and replacement of energy efficient light sources (7.3 d) Installation, replacement, maintenance and repair of heating, ventilation and air-conditioning (HVAC) and water heating systems, including equipment related to district heating services, with highly efficient technologies (7.3 e).	<p>The whole activity is aligned with the requirements because:</p> <ul style="list-style-type: none"> <li>➤ It makes a substantial contribution to climate change mitigation as no specific technical screening criteria are required;</li> <li>➤ It complies overall with DNSH criteria for the adaptation goal;</li> <li>➤ It complies overall with minimum social safeguards.</li> </ul>



Business Line	Activity	Description of the activity (according to the EU Taxonomy Regulation)	Condition for being considered eligible-aligned
	Home	<p>Installation, maintenance and repair of energy efficiency equipment (7.3) (7.3 a-e). For the detail, see the points already discussed above.</p> <p>Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings (7.5) – Installation, maintenance and repair of zoned thermostats, smart thermostat systems and sensing equipment, including. Motion and day light control (7.5 a).</p> <p>Installation, maintenance and repair of renewable energy technologies (7.6) – Installation, maintenance and repair of solar photovoltaic systems and the ancillary technical equipment (7.6 a).</p>	<p>The whole activity is aligned with the requirements because:</p> <ul style="list-style-type: none"> <li>➤ It makes a substantial contribution to climate change mitigation as no specific technical screening criteria are required;</li> <li>➤ It complies overall with DNSH criteria for the adaptation and pollution goals;</li> <li>➤ It complies overall with minimum social safeguards.</li> </ul>
	Distributed Energy (Industry)	<p>Professional services related to energy performance of buildings (9.3).</p>	<p>The whole activity is aligned with the requirements because:</p> <ul style="list-style-type: none"> <li>➤ It makes a substantial contribution to climate change mitigation as no specific technical screening criteria are required;</li> <li>➤ It complies overall with DNSH criteria for the adaptation goal;</li> <li>➤ It complies overall with minimum social safeguards.</li> </ul>
	Distributed Energy (Industry)	<p>Installation, maintenance and repair of energy efficiency equipment (7.3) installation and replacement of energy efficient light sources (7.3 d) installation, replacement, maintenance and repair of heating, ventilation and air-conditioning (HVAC) and water heating systems, including equipment related to district heating services, with highly efficient technologies (7.3 e)</p> <p>Installation, maintenance and</p>	<p>The whole activity is aligned with the requirements because:</p> <ul style="list-style-type: none"> <li>➤ It makes a substantial contribution to climate change mitigation as no specific technical screening criteria are required;</li> <li>➤ It complies overall with DNSH criteria for the adaptation and pollution goals;</li> <li>➤ It complies overall with minimum social safeguards.</li> </ul>

Business Line	Activity	Description of the activity (according to the EU Taxonomy Regulation)	Condition for being considered eligible-aligned
		repair of renewable energy technologies (7.6) – Installation, maintenance and repair of solar photovoltaic systems and the ancillary technical equipment (7.6 a).	
	Battery Energy Storage (Industry)	Installation, maintenance and repair of renewable energy technologies (7.6) – Installation, maintenance and repair of thermal or electric energy storage units and the ancillary technical equipment (7.6 f).	The whole activity is aligned with the requirements because: <ul style="list-style-type: none"> <li>➤ It makes a substantial contribution to climate change mitigation as no specific technical screening criteria are required;</li> <li>➤ It complies overall with DNSH criteria for the adaptation goal;</li> <li>➤ It complies overall with minimum social safeguards.</li> </ul>
	E-mobility	Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings) (7.4). Infrastructure for personal mobility, cycle logistics (6.13).	The whole activity is aligned with the requirements because: <ul style="list-style-type: none"> <li>➤ It makes a substantial contribution to climate change mitigation, as no specific technical screening criteria are required;</li> <li>➤ It complies overall with DNSH criteria for all objectives;</li> <li>➤ It complies overall with minimum social safeguards.</li> </ul>

### Eligible-not aligned activities

Business Line	Activity	Description of the activity (according to the EU Taxonomy Regulation)	Eligible but not aligned condition
Power Generation	Electricity generation from hydropower	(4.5) – Construction or operation of electricity generation facilities that produce electricity from hydropower.	1.2% of installed capacity is eligible but not aligned because it was not possible to verify the technical screening criteria related to power density and thus to the life cycle greenhouse gas intensity.
	Electricity generation from fossil gaseous fuels	(4.29) – Construction or operation of electricity generation facilities that produce electricity from fossil gaseous fuels. It refers to thermal power plants with CCGT technology.	100% of installed capacity is eligible but not aligned because all power plants exceed the threshold of 100 gCO <sub>2</sub> eq/kWh measured on life cycle basis, while also the alternative criteria are not satisfied.

Infrastructure and Networks	Transmission and distribution of electricity	<p>Transmission and distribution of electricity (4.9) – Construction and operation of transmission systems that transport the electricity on the extra high-voltage and high-voltage interconnected system.</p> <p>Construction and operation of distribution systems that transport electricity on high-voltage, medium voltage and low-voltage distribution systems.</p>	<p>Infrastructures built during the year and dedicated to the realization of a direct connection or the expansion of an existing direct connection between a substation or grid and a power plant with a greenhouse gas intensity exceeding the threshold of 100 gCO<sub>2</sub>eq/kWh measured on a life cycle basis.</p>
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Sale of spare parts – Circular Economy (5.2)  
 Conservation, including restoration, of habitats, ecosystems and species - Biodiversity and ecosystems (1.1)  
 The analysis of the alignment of the two minor activities related to protection and restoration of biodiversity and ecosystem and circular economy was not performed for the purpose of the 2023 Sustainability Report and will be disclosed next year in coherence with the timeline established in the Environmental Delegated Act.

### Not eligible activities

Business Line	Activity	Description of the activity	Not eligible condition
Power generation	Generation of electricity from coal and liquid fossil fuels	Construction and operation of coalfired and liquid fossil fuel power plants. Thermal power plants that combine fuel-oil and gas (OCGT) technologies, for which a further breakdown is not feasible.	The activity has been excluded from the EU Taxonomy Regulation as it is considered very harmful.
	Electricity generated by nuclear power plants	Construction and operation of nuclear power plants.	The business activity performed in its nuclear power plants in Spain has not been explicitly mentioned in the Complementary Delegated Act, and it does not fit within the three specific nuclear-related activities identified in such delegated act
Trading	Energy sales (wholesale)	Wholesale of power and related activities.	This activity is not considered in the Climate Delegated Act.
Market	Electricity and Gas sales (end customers)	Retail sales of electricity and gas by the company.	This activity is not considered in the Climate Delegated Act.
Endesa X	Other activities	Financial services, hardware and software, insurance policies and other general services.	These activities are not considered in the Climate Delegated Act.

### Process for Calculating the Financial Metrics

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

- The three financial metrics required by the EU Taxonomy Regulation (turnover, capital expenditure - CapEx - and operating expenditure - OpEx) were calculated according to the eligibility analysis described in the previous section.
- Although not expressly required, Endesa also performed an assessment in terms of the ordinary gross operating profit (EBITDA<sup>32</sup>) believing that this metric represents the actual financial performance of integrated utilities such as Endesa. A metric that considers only turnover is strongly influenced by the business activities with a high volume of revenues (such as the wholesale market - trading) that do not contribute proportionally to growth in the ordinary gross operating profit to the same extent as other business activities.
- The financial information was gathered from the digital accounting system used by Endesa, or from the management systems in use by the Company's Business Lines. However, some proxies were delegated to provide a more detailed representation of the figures or to exclude specific activities from the overall calculation of eligible alignment (such as not aligned hydroelectric power generation or infrastructure considered eligible but not aligned among eligible and aligned distribution network systems). For example, the following proxies were used:
  - Hydroelectric: eligible not aligned hydroelectric power plants were excluded by considering their output multiplied by the average turnover per unit in the years 2022 and 2023. This approach was also extended to CapEx, OpEx and EBITDA;
  - Infrastructure and networks: Concerning CapEx, new connections between a substation or grid and a power plant with a greenhouse gas intensity above the threshold of 100 gCO<sub>2eq</sub>/kWh were excluded considering their capacity (in MW) multiplied by the average CapEx per unit (k€/ MW) for the years 2022 and 2023. This approach was also extended to turnover based on the on the the assets' lifespan.
- Aggregate financial data in the report refer to the "sector" level and include items related to third parties and inter sectorial exchanges.
- Financial metrics were represented by considering all electricity and gas sales as "not eligible".
- The figures of the income classified as eligible-aligned also include intercompany income arising from the sale of renewable electricity produced by the generation enterprises of the company and sold by them to the commercialization enterprises of the company for the sale to end customers, in accordance with the integrated position of the company.
- CapEx: they cover costs that are accounted based on IFRS 16 Leases, paragraph 53, point (h), as requested by the Commission Delegated Regulation (EU) 2021/2178
- Absolute turnover/CapEx/OpEx/EBITDA<sup>33</sup> correspond to the turnover/CapEx/OpEx/EBITDA (measured in euros) of each specific activity. The share of individual KPIs corresponds to each individual economic activity in the total turnover/CapEx/EBITDA of Endesa (except for OpEx, as the total of which refers only to the type of costs required by the taxonomy, and for CapEx as described above).
- No CapEx and OpEx figures that may correspond to adaptation solutions - in accordance with article 11 (1)(a) of EU Taxonomy Regulation - in business activities that already contribute to climate mitigation have been allocated to climate adaptation objective, thus avoiding any potential double counting with the figures provided on climate mitigation objective. Furthermore, no revenues were considered eligible for climate adaptation

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<sup>32</sup> See section 7: Alternative Performance Measures (APMs) of the Consolidated Management Report 2023.

<sup>33</sup> See section 7: Alternative Performance Measures (APMs) of the Consolidated Management Report 2023.

objective as Endesa does not provide adaptation solutions in accordance with article 11.b of EU Taxonomy Regulation.

- For those minor activities that are eligible for either the protection and restoration of biodiversity and ecosystem or the circular economy objective a rounded figure of “0” has been reported due to its insignificant weight out of overall financial figures.

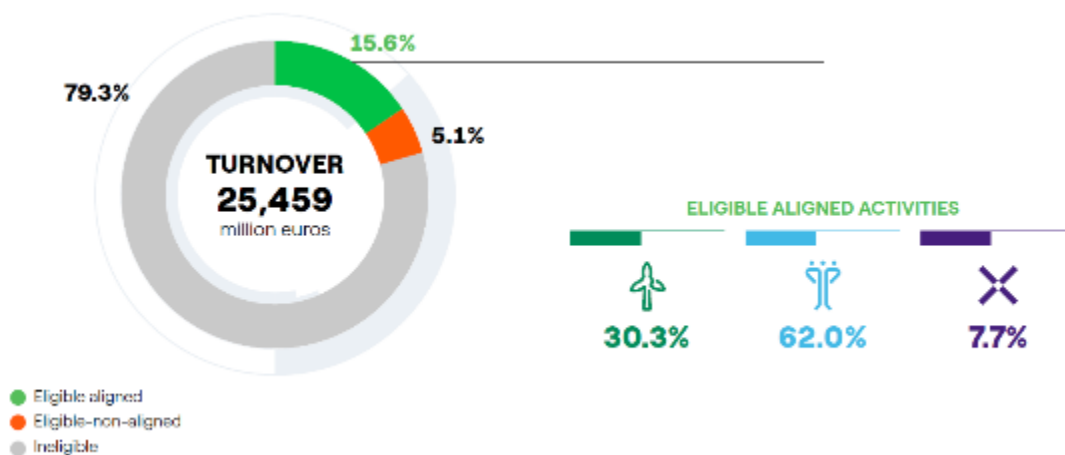
### Statement on the alignment of Endesa’s business to the EU Taxonomy Regulation

#### Overall results

The high level of alignment of Endesa economic activities with the EU Taxonomy Regulation in 2023, made possible mainly by their substantial contribution to the climate change mitigation objective while respecting the principle of Do No Significant Harm (DNSH) to other environmental objectives and observing the minimum social safeguards, is shown below.

#### Turnover

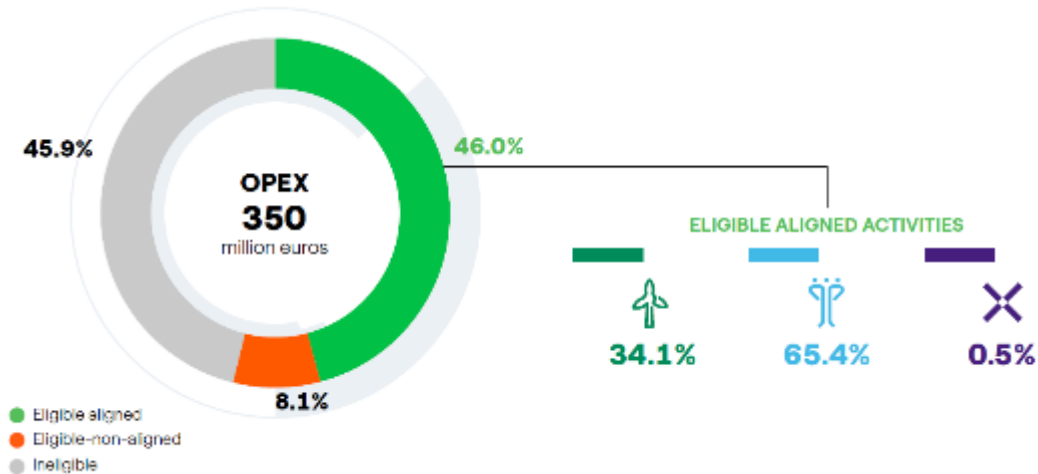
- 15.6% of turnover in 2023 relates to business activities aligned with the EU Taxonomy Regulation, compared to 10.9% in 2022.
- This increase in 2023 is due to a reduction in the turnover of eligible-not aligned activities (combined cycle power plants) and not eligible activities (gas and power sales to end customers), which increases the weight of aligned activities.
- The percentage of eligible turnover has decreased from 30.6% in 2022 to 20.7% in 2023, due to a reduction in the turnover of electricity generation from fossil gaseous fuels (eligible-not aligned activity). This reduction is due to several factors, including the variation in the price of energy and the increase of the demand of renewable generation.



#### OPEX

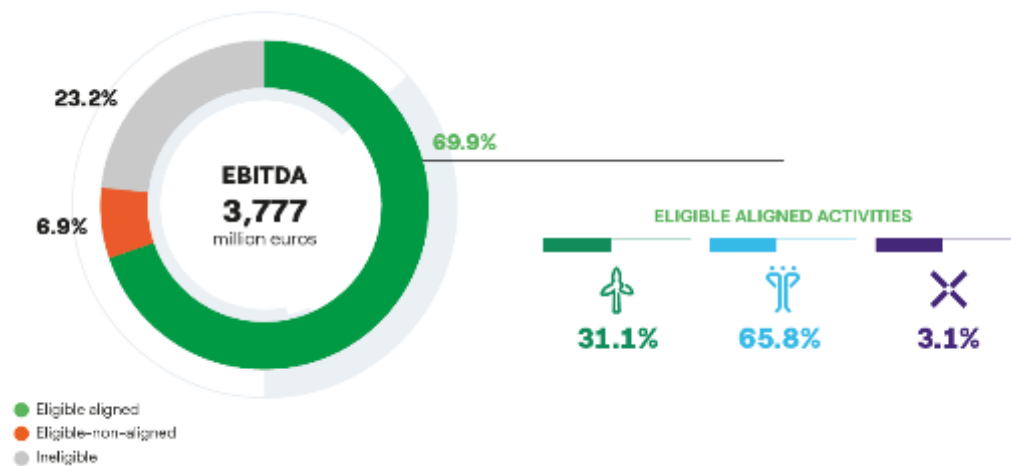
- 46.0% of operating expenses (OpEx) in 2023 relates to business activities aligned with the EU Taxonomy Regulation, compared to 41.2% in 2022.

- The percentage of OpEx of taxonomy eligible and aligned activities increases in 2023 compared to 2022, primarily due to higher maintenance costs incurred in renewable energy production and taxonomy-aligned distribution activities.



## EBITDA

- 69.9% of the ordinary gross operating profit (EBITDA<sup>34</sup>) in 2023 relates to business activities aligned with the EU Taxonomy Regulation, compared to 47.9% in 2022.
- This increase in 2023 is due to a reduction in the EBITDA of eligible-not aligned activities (combined cycle power plants) and not eligible activities (trading), which increases the

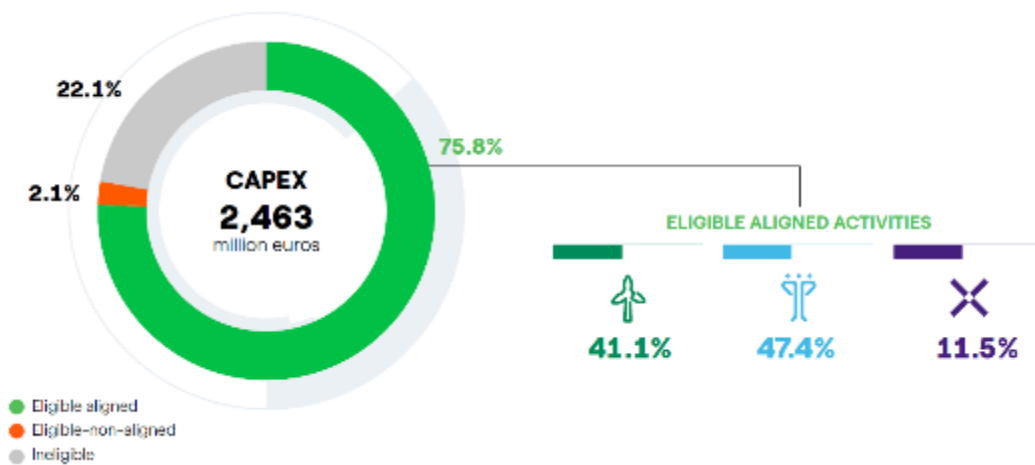


weight of aligned activities.

<sup>34</sup> See section 7: Alternative Performance Measures (APMs) of the Consolidated Management Report 2023.

## CAPEX

- 75.8% of capital expenditure (CapEx) in 2023 relates to business activities aligned with the EU Taxonomy Regulation, compared to 76.4% in 2022. The percentage of CapEx of taxonomy eligible and aligned activities slightly decreases in 2023 compared to 2022 due to lower investments from electricity generation from wind power.
- The actual 2023 CapEx for eligible-aligned activities is 4.8% lower than the CapEx planned for 2023 in the 2023-2025 Strategic Plan for the same activities, mainly due to lower investments in renewable aligned activities.



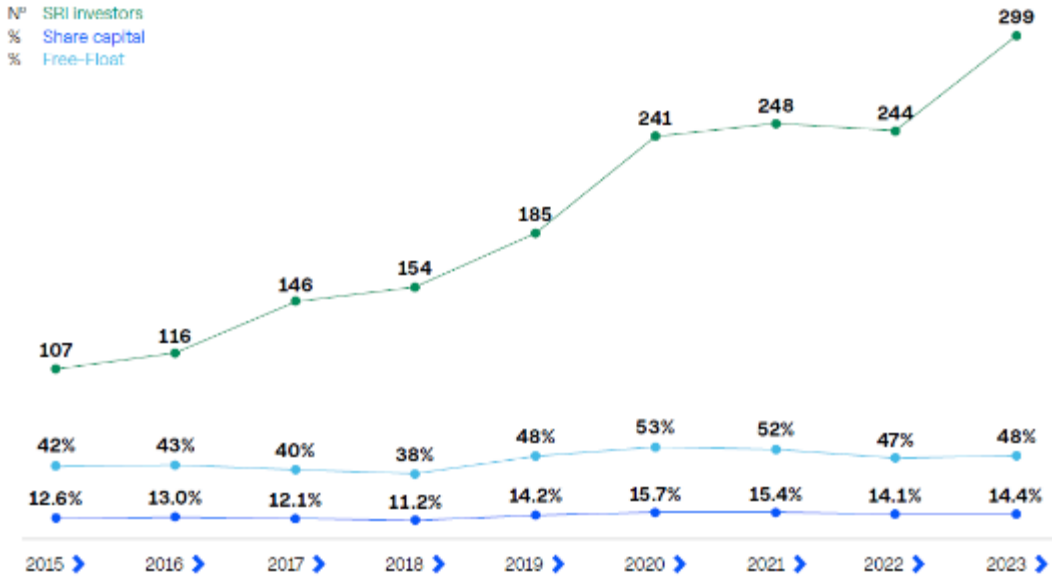
### 4.4.4.3. Sustainability Ratings and Indices

Endesa works actively to be a benchmark company for investors who take social, environmental and ethical considerations into account in their investment policies, creating a long-term relationship with them.

For the eighth consecutive year, in 2023 Endesa conducted a study to identify shareholders, with a special focus on those institutional investors who have a responsible investment policy and are active in non-financial matters. This study determined that Endesa has at least 299 Investors. They are Socially Responsible (253 are foreign and 46 are domestic), and together represent 14.4% of share capital and 48.1% of free float.

In compliance with Spanish legislation regarding identification of shareholders, the analysis was conducted at the level of "investment advisor". It is not permitted to delve down to the level of the investment fund.

## PRESENCE OF SOCIALLY RESPONSIBLE INVESTORS IN ENDESA'S SHAREHOLDER STRUCTURE <sup>(1)</sup>



(1) Since 2020, the study includes foreign and domestic institutional investors. In previous years, only foreign institutional investors were represented.

Endesa is aware that a prominent presence in the main socially responsible investment indices helps attract this type of investor and therefore the company pays great attention to this. Additionally, to obtain financing on favourable terms it is becoming increasingly important to be well rated by the various agencies and indices, as it is becoming generally accepted that genuine integration of sustainability into the management of the company reduces the risks associated with financing.

Furthermore, presence on these indices serves as a way of recognising the sincere and rigorous commitment that Endesa has assumed regarding the integration of social, environmental, ethical and sound governance aspects in terms of business management and decision-making processes, achieving a high level of performance. Finally, and even more importantly, it allows Endesa to step up its commitment by accurately identifying areas for improvement in terms of including sustainability in the company's management, e.g., it serves as a tool for continuous improvement in its approach to sustainability management.

### Recognitions, Presence in Sustainability Indices and ESG Ratings

In 2023, Endesa consolidated our leadership in the most important sustainability indices and ratings. The main accomplishments achieved include the following:



## RECOGNITIONS, PRESENCE IN SUSTAINABILITY INDEXES AND "ESG" RATINGS









	Theme	Indexes/Organizati on	Rating/Situation
 <p>Member of <b>Dow Jones Sustainability Indices</b> Powered by the S&amp;P Global CSA</p>	ESG	Dow Sustainability Index 2023	Included in the DJSI World for the 23rd consecutive year and included in the DJSI Europe for the second consecutive year.
 <p>Sustainability Yearbook 2023 S&amp;P Global</p>	ESG	Sustainability Yearbook 2023	In the Top 5 % S&P Global ESG Score.
 <p><b>MSCI</b> ESG RATINGS AAA</p>	ESG	MSCI Sustainability Index Series	Included in MSCI ESG rating with the highest rating (AAA).
 <p><b>SUSTAINALYTICS</b> a Morningstar company</p>	ESG	Sustainalytics ESG Risk Ratings	Included with a Low Risk rating (Low ESG risk level).
 <p>Corporate ESG Performance RATED BY <b>ISS ESG</b> Prime</p>	ESG	ISS ESG	Included and rated Prime.
 <p><b>FTSE4Good</b></p>	ESG	FTSE 4 Good	Included in the FTSE4Good indexes, maintaining the third position among conventional electric utilities.
 <p><b>EURONEXT</b> <b>VE</b> INDICES WORLDWIDE</p>	ESG	Euronext Eiris Vigeo	Listed on the Euronext Vigeo World 120 and Euronext Vigeo Euro 120 indexes (Advanced).
 <p><b>open</b>corporation</p>	ESG	OpenCorporation	Listed as the third company in the world ranking 2023.









	ESG	STOXX	<p>Included in the STOXX® Global ESG Leaders indices, and in other indices of the STOXX family such as: STOXX SPAIN 20 STOXX SPAIN 30; EURO STOXX 50; STOXX ALL EUROPE 100/ 600/ 800; STOXX EUROPE ESG SELECT 30; STOXX GLOBAL 200; STOXX GLOBAL ESG SELECT 100.</p>
	ESG	<p>ECPI Sense in sustainability</p>	<p>Included in the most important indices of the ECPI family such as ECPI World ESG Equity, ECPI Euro ESG Equity; ECPI Global Carbon Liquid; ECPI Global Renewable Energy Liquid; ECPI Global Clean Energy Equity; ECPI Global ESG Gender Equity.</p>
	ENVIRONMENT	<p>CDP Climate Change 2023</p>	<p>A - Rating in Climate B - in Water</p>
	SOCIAL	<p>2023 Gender Index Bloomberg Equality</p>	<p>Included in recognition of its equal opportunity and gender policies.</p>
	ESG	Refinitiv	<p>Included among the utilities with the best scores in the ESG Best Practices Indices. Scoring within the fourth quartile (&gt; 75) indicates excellent ESG performance and a high degree of transparency in public reporting of ESG data.</p>

## 4.5. NATURE

Material Topics	Plan	SDGs
Water Resources Management. Preservation of biodiversity and ecosystems.		

The objectives of the 2024-2026 Sustainability Plan (ESP) and the closing figures for these indicators are shown below.

	SDGs	Activities	Units	2022	2023	ESP Objectives 2024-2026	
						2024	2026
Biodiversity		Commitment on and deforestation	-	-	N/A	No net loss of biodiversity and no deforestation by 2030	
		Implementation of the biodiversity conservation programme	No. of annual actions	31	39	>30 in the 2024-2026 period	
		Biodiversity Assessment Impact	%	-	100	100 of the new projects in 2024-2026 <sup>1</sup> period	
			-	-	N/A	Development of a common methodology for quantifying impacts on and dependencies with the natural world <sup>2</sup>	
		Biodiversity Awareness Program	No. of actions	-	1	1 program per year for own staff and suppliers in the 2024-2026 period	
	Bird deterrent systems in wind turbines	No. of installations	-	59	2 more per year in the 2024-2026 period		
Waste		Promote the minimisation of waste generated in the electricity generation process	Tonnes	13,838	20,210	Production of waste <sup>3</sup> <14,000	
Water		Water withdrawal in the electricity generation process	l/MWh	73.6	74.3	70.6	59.7
Air quality		SO <sub>2</sub> emissions	g/kWh <sub>bc</sub>	0.12	0.12	0.12	0.11
		NO <sub>x</sub> emissions	g/kWh <sub>bc</sub>	0.67	0.71	0.70	0.66
		Dust emissions	g/kWh	0.01	0.01	0.01	0.01
		Mercury emissions	mg/kWh	0.00012	8.3E-05	1.7E-05	1.6E-05

	SDGs	Activities	Units	2022	2023	ESP Objectives 2024-2026	
						2024	2026
Environmental management		Implementation of environmental management systems certified by ISO 14001	% of installations	100	100	100 of the businesses in 2024-2026 period	
		Environmental footprint reduction (% reduction vs 2022)	% reduction (vs 2022)	5,463	5,174	1%	
		Certification in environmental energy management and indoor air quality in offices	%	52	52	55% of office offices certified in 2024-2026 period	
Building management		Reduction of energy consumption <sup>4</sup> (% reduction)	% reduction (vs 2022)	+4.4	+2.15	-0.5 compared to the previous year in 2024-2026 period	
		Reduction in water consumption <sup>4</sup> (% reduction)	% reduction (vs 2022)	+5	+9.22	-0.5 compared to the previous year in 2024-2026 period	
		Reduction in the generation of waste paper and cardboard <sup>4</sup> (% reduction)	% reduction (vs 2022)	-53.8	+19.95	-0.5 compared to the previous year in 2023-2025 period	
		Office Portfolio Optimization	m <sup>2</sup> reduced	801	8,452	1,906 in 2024-2026 period	
		CO <sub>2</sub> emissions in buildings <sup>5</sup> (tonnes)	Tonnes	2,204	0	0 in period 2024-2026 period	

<sup>1</sup> All projects that require Environmental Impact Assessments.

<sup>2</sup> <https://naturalcapitalfactory.es/en/natural-capital-and-the-spanish-energy-sector-the-experience-of-the-working-group-on-natural-capital-and-energy/>

<sup>3</sup> Includes both hazardous and non-hazardous. It includes the waste generated in the dismantling processes.

<sup>4</sup> Only SIGAEC environmentally certified buildings are included.

<sup>5</sup> The reduction of emissions is determined by the reduction of energy consumption and of office space. Power consumption

#### Objectives



New



Redefined objective

### Actions to highlight:

1. Continuation of the progress with the coal closure roadmap, with the cessation of operation of As Pontes Coal-fired Thermal Power Plant (A Coruña).
2. Maintenance of the certification of the environmental management system of all generation and distribution facilities, corporate headquarters, as well as all commercialization activities.
3. Reduction of 91% in the specific extraction of water for industrial use compared to the base year (2017).

4. Recovery of 93% of the total waste produced in different activities.
5. Update in 2023 of Endesa's Biodiversity Policy, aligning it with the Global Biodiversity Framework approved at COP15 and the responsibilities of Endesa's Biodiversity Committee.
6. Commitment to No Net Loss of Biodiversity in new projects from 2030. Starting with the implementation in selected projects of high importance for biodiversity from 2025.
7. 39 operational actions to protect wildlife and natural habitats under Endesa's Biodiversity Conservation Plan in 2023. 101 hectares have been restored and reforested, and more than 50,029 trees have been planted and 10,400 tCO<sub>2</sub> absorbed as part of the "Endesa Forestry Initiative".
8. Implementation and continuation of several initiatives in thermal generation and combined cycle power plants aimed at reducing water consumption within the framework of the internal WAVE project, which have contributed to the reduction of total water consumption by 16% compared to 2022.
9. For the fifteenth consecutive year, Endesa took part in the CDP Water Disclosure, obtaining in 2023 the category of Management.

The scope of the information provided in this chapter covers both Endesa, S.A. and its investee companies in Spain and Portugal. The scope is the same as in the Legal Documentation reports. For more information, see sections 2.1.2.6. *Organisational Structure* and 2. *Report Coverage (ANNEX I: Methodology for preparing the report)*. Variations, if any, to the scope described here are presented throughout the chapter.

Data is also included relating to facilities over which Endesa does not have control in proportion to its shareholding, as is the case of nuclear facilities.

#### 4.5.1. Environmental Management

##### 3-3 Materials Management Approach /3-3 Energy Management Approach

For Endesa, sustainable development is an essential pillar of its strategy, including as one of the most important commitments the protection of the environment and the care of natural capital. This attitude constitutes a sign of positive and differential identity for the company, since it is a fundamental principle of behaviour that is expressly included in its business values and that materializes in its strategic plan.

The aim of this commitment is to minimise the impact of Endesa's activity on the natural environment in which it operates. It encompasses initiatives primarily related to air quality, exemplary management of waste, caring for biodiversity, minimising waste, management of polluted land and other potential negative impacts.

Moreover, Endesa's approach to environmental management seeks to ensure the sustainable use of energy and water resources as well as raw materials, committing to the protection and promotion of the biodiversity of ecosystems in the environments in which it operates, in addition to restoring environments where its operations have ceased, to foster their natural capital.

The commitments made in the company's various environmental and sustainability policies are embodied in the environmental management systems of Endesa's different activities. These systems allow the alignment of the environmental dimension within the various activities carried out by the company, integrating the SDGs and articulating the mechanisms to measure and evaluate environmental performance considering the life cycle, thus integrating the concept of circular economy and natural capital in the management of its activities.

The assessment of the environmental risks associated with the development of the company's activities and the environmental certifications granted by external entities help to ensure excellence in Endesa's environmental management and certify that it is integrated and aligned with its corporate strategy.

#### 4.5.1.1. Environmental Policy

##### **3-3 Materials Management Approach /3-3 Energy Management Approach /3-3 Environmental Compliance Management Approach /2-23**

The protection of the environment, the fight against climate change and the defence of sustainable economic development are strategic elements in the planning and development of Endesa's activities, which considers environmental excellence to be a fundamental value of its business culture.

In fulfilling its environmental commitments, Endesa identifies, evaluates and manages the environmental aspects and impacts derived from its activities, striving to minimise negative ones and maximise positive ones, as set down in its Environmental Policy<sup>35</sup> approved by the Board of Directors in June 2021, which includes its commitment to environmental excellence. Endesa carries out its activities in an environmentally friendly manner and in accordance with the Sustainable Development Goals (SDGs) and is firmly committed to the conservation and sustainable use of the resources it uses in line with the principles of the circular economy, always applying criteria of excellence.

Endesa's Environmental Policy is based on five basic principles:

- Protect and foster the environment and the natural surroundings of all facilities and natural assets by preventing negative impacts, and use energy, water and raw material sustainably applying circular-economy principles.
- Protect, conserve and promote biodiversity, ecosystems and their services in the operations related to their activity, oriented towards the objective of no net loss of biodiversity.
- Improve and promote the environmental sustainability of products and services.
- Create shared value for the company and stakeholders.
- Comply with legal obligations and voluntary commitments, encouraging ambitious environmental management practices and spreading them throughout the entire value chain.
- Contribute to the fight against climate change through decarbonisation of the generating mix by promoting the development of renewable energies, energy efficiency and the application of new technologies, and by offering solutions for the gradual electrification of society.

#### 4.5.1.2. Environmental Objectives

Endesa is aware of the environmental impact of its activities, which is why the company pays particular attention to environmental protection and the efficient and sustainable use of natural resources. Endesa performs its activities in an environmentally friendly manner, going beyond complying with legal obligations by setting itself more ambitious environmental requirements and objectives. Additionally, it seeks to involve its suppliers, who are required to implement environmental policies based on these principles, as well as customers, to make them participants in the responsible use of energy and the energy efficiency of their processes and behaviours.

Endesa annually reviews the environmental objectives established in the Sustainability Plan in order to update its ambition and bring it in line with the expectations of its stakeholders. The consultations carried out within the framework of the 2023 materiality study have shown that the most relevant environmental issues for the promotion of a sustainable business model are climate

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<sup>35</sup> <https://www.endesa.com/en/environmental-management>

change, the preservation of biodiversity and ecosystems and the management of water resources. Consequently, Endesa includes in its latest published Sustainability Plan specific objectives for these areas, in addition to covering others such as waste, or air and soil quality. In setting these objectives, Endesa acts in strict compliance with all legal environmental obligations relating to the operation of its businesses and their infrastructure, driven by the ambition of implementing its environmental policy.

For more information, see section 2.1.1.3.2. *Compliance with the objectives in the Endesa's Sustainability Plan (ESP) 2024-2026.*

#### 4.5.1.3. Investment in Environmental Management

##### 201-2

With a view to achieving environmental excellence and sustainable development of its activities, Endesa is making a significant investment effort:

ENVIRONMENTAL INVESTMENT AND EXPENDITURE (million euros)			
	2021	2022	2023
Investment	41	27	30
Expenditure	88	87	104

#### 4.5.1.4. Managing Environmental Risks and Impacts

##### 201-2/306-2

##### Resources Dedicated to the Prevention of Environmental Risks

Endesa is subject to environmental regulations that affect both the normal course of its operations and activities and the development of its new projects, which entails risks and costs. In addition, Endesa is exposed to environmental risks inherent to its business and the operation of its infrastructures, which include risks arising from waste management, discharges and emissions, and therefore could be held liable for damage to the environment.

To comply with the obligations deriving from the Spanish Environmental Responsibility Law, Endesa has developed the MIRAT Project, based on a methodology developed at sector level and approved by the Ministry of Ecological Transition and the Demographic Challenge, the objective of which, through environmental risk analyses, was to establish the mandatory financial guarantee required by this Law for conventional thermal and combined cycle power plants with a thermal capacity of more than 50 MW. The corresponding formal statements were submitted to the Administration with the results of the environmental risk analyses of all conventional thermal and combined cycle power plants.

For the analysis of environmental aspects, impacts and risks during 2023, Endesa has continued to use the tool called ERA (Environmental Risk Assessment), in which the environmental risks associated with Endesa's different businesses and facilities are collected and evaluated annually. In addition to the results of the evaluation of the significance of the environmental aspects identified, the methodology incorporates the consideration of organizational, strategic, economic and reputational aspects associated with the different activities and infrastructures of the businesses. Within the ERA tool, legal compliance is also evaluated, as well as the effectiveness of the operational controls implemented, both required by law and voluntary, and an assessment of the "Residual Risk" is obtained in each generation facility and in the distribution company. Depending on the results obtained, it may be necessary to launch specific action plans to mitigate the environmental risks associated with the activity. The results of the evaluations carried out at ERA make it possible to compare the environmental risk associated with different facilities and technologies.

The results obtained in the 2023 evaluation and the most relevant actions carried out based on this evaluation are as follows:

- **Renewable generation:** the most notable potential impact is that caused to birdlife by wind technology. With a view to mitigating this risk, work has continued to install systems to detect and mitigate possible birdlife and bat collisions at its wind farms, constantly revising the list of work with developers and different companies to actively search for the best technological systems on the market and implement them. In 2023, nine detection, deterrence and stop systems were installed at six wind farms in Endesa's existing portfolio, and four wind farms came into operation with 16 detection, deterrence and stop systems for birdlife.

It is also planned that 5 more systems will be installed in 2 wind farms before the end of the year or early 2024.

It is worth highlighting the different pilot projects developed for the validation of new systems to improve the protection of birdlife in the vicinity of wind farms, based on cameras and artificial intelligence. These pilot projects are at the El Campo, Motilla, La Estanca and Campoliva I wind farms, where a bird-detection system using radar technology developed by a startup in collaboration with the University of Zaragoza is being tested.

In addition, close collaboration is maintained with expert associations for the development of projects for the recovery of the most affected species, among which the following stand out: management of "muladar" carrion dumps for the conservation of carrion-eating species in El Espinar (Ávila); marking of Egyptian vulture specimens and agri-environmental measures aimed at improving the habitat of Montagu's harrier in Malaga; lesser kestrel hacking in Fuente de Piedra (Malaga) and Zuera (Zaragoza); ecological reserve and agri-environmental measures in favour of the Ricoti lark in Granada, Guadalajara and Teruel; and agri-environmental measures aimed at promoting the habitat of the little bustard in Motilla del Palancar (Cuenca) and the black-bellied sandgrouse in Zaragoza.

Another way of preventing risks to birdlife is constant on-site monitoring with ornithologists in the field during daylight, seven days a week. When possible, risks of bird collisions are detected, the monitors order the wind turbine involved to be stopped and requests it to restart once the risk has disappeared. This measure is being applied regularly at six wind farms and will be implemented on a case-by-case basis in up to seven more wind farms in 2023, based on the results of the risk assessment for birdlife.

With regard to hydroelectric technology, where the greatest risk is that of accidental discharges into the aquatic environment, an external service has been set up for rapid intervention in incidents that entail an environmental risk. This minimizes the possibility of causing damage to the environment.

- **Thermal generation:** as in previous years, we have identified reputational risk associated with climate change, mainly related to coal-fired thermal generation.

Following the closure in recent years of Compostilla, Teruel and Litoral de Almeria coal-fired plants, and the ending of activity at As Pontes thermal power plant in October 2023, Endesa currently only operates generators 3 and 4 at the Alcudia thermal power plant, which will operate at peak times during a maximum of 500 hours per year.

Therefore, this risk has been progressively mitigated with the closure of these plants and with the growth in renewable energy expected in the coming years.

- **Electricity distribution:** the results obtained were consistent with the objective significance of environmental aspects, based on indicators, reinforcing the trend towards greater restrictions and demands in relation to the impact of infrastructure on biodiversity conservation. In particular, specific action plans related to birdlife have continued in relation to the technical, legal and communication fields and information systems.



Furthermore, as part of its commitment to protecting the environment, Endesa feels obliged to eliminate environmental liabilities, and, therefore, identifies the liabilities of each facility and addresses them within the framework of their environmental management programmes, which is reflected in their elimination, disposal or reuse.

Endesa's activity is also affected by the risks associated with climate change, which are described in detail in section 4.1.4. *Risk Management*.

### Environmental Liability Insurance Policy

Endesa has environmental insurance coverage that covers personal injury and/or property damage to third parties and is included in the global civil liability insurance policy. The environmental section covers Endesa's liability in accordance with European Directive 35/2004 on environmental liability and equivalent national legislation (Law 26/2007 on Environmental Liability), as well as its implementation in the national legislation of other countries in which Endesa has a presence and any other court decision related to environmental damage, including harm to biodiversity. The general limit of the policy is 150 million euros and the overall deductible is 250,000 euros.

#### 4.5.1.5. Environmental Management Systems

##### 3-3 Management Approach to Environmental Compliance

The commitments made in the Environmental Policy are specified and materialised in the Environmental Management Systems of Endesa's different businesses. These systems allow the environmental dimension to be aligned within the company's sustainability model, integrating the Sustainable Development Goals and articulating the mechanisms to measure and evaluate environmental performance through a set of indicators that consider the life cycle, and thus integrate the concept of circular economy and natural capital in management.

The indicators of these environmental management systems include the performance of the facilities on all environmental aspects and make it possible to verify compliance with all applicable legal obligations in environmental matters regarding the operation of the businesses and their infrastructures, as well as the alignment with the path traced by Endesa to evaluate the degree of achievement of the strategic objectives and defined goals.

Endesa's environmental policy, mentioned in previous sections, establishes basic principles of action in relation to pollution prevention. These principles are implemented through management systems appropriate to the Company's activities. The policy covers all environmental vectors (air, water, biodiversity and soil) in order to achieve excellence in the environmental management of the Company's activity, based on continuous improvement, aimed at preventing pollution and ensuring compliance with the environmental legislation applicable to the sites, as well as the management standards adopted. To this end, Endesa established in its 2023-2025 Sustainability Plan (PES) the goal of maintaining 100% of its generation and distribution facilities certified under the International Standard ISO 14001. The target was met in 2023 and, in order to reinforce the commitment, the rest of Endesa's activities are included in the new ESP for the period 2024-2026.

### Certification of Environmental Management Systems

Endesa's environmental management systems are based on international procedures and standards that are audited by independent accredited entities of recognised prestige, and ensure that the identification, evaluation and control of the environmental impacts that may be generated by its facilities and operations are carried out on a regular and systematic basis. The company currently has the following environmental certifications:

Activity	Standard	% certified in 2023
Electricity generation (thermal, hydraulic and renewable)	ISO14001:2015	100%
	ISO 9001:2015	100%

Activity	Standard	% certified in 2023
	ISO 50001:2018	3 thermal power plants
	EMAS	15 thermal power plants
Electricity generation (nuclear)	14001, 9001	100%
Electricity Distribution	14001, 9001, 50001	100%
Port Terminals	14001, 9001, EMAS, Zero Waste	100%
Corporate headquarters and office buildings	14001, 50001, UNE-EN 171.330-3	5 main offices
Endesa Energía	14001, 9001	100% of its activity
Endesa X	14001, 9001, 50001	100% of its activity

Endesa's headquarters in Madrid, at Ribera del Loire, in addition to being part of the already established Environmental, Energy and Indoor Air Quality Management System (SIGAEC), has been awarded LEED GOLD certification (Leadership in Energy and Environment Design) in the "Sustainable Operations and Building Maintenance" category, obtained in January 2017 and renewed in 2022. This standard evaluates the sustainability of the building by assessing its impact in five main areas: sustainable location, efficiency in the use of water, electricity and atmosphere, conservation of materials and natural resources, and indoor air quality. The Ribera del Loira building has also been awarded the "Madrid Excelente" seal, which recognises organisations that care for the planet, improve people's lives, seek progress, and have a purpose that gives them meaning, and also holds the "Edificio Sostenible" (Sustainable Building) of Madrid seal for being designed for energy savings and future sustainability. Both of these are awarded by the Community of Madrid.

The Barcelona headquarters, the Vilanova building, has since 2019 a LEED SILVER certification in the same category, "Sustainable Operations and Maintenance in Buildings". This certificate is currently being renewed.

These headquarters, Ribera del Loire and Vilanova, represent 40.32% of the surface area of Endesa's offices.

After the remodelling carried out at the headquarters in Borbolla (Seville), the certification procedures for the building will begin in 2024. The rest of the offices are monitored and operated under the same procedures and processes as the SIGAEC.

#### 4.5.1.6. Nuclear Activity Management

Endesa is firmly committed to the safe management of its nuclear activity, as expressed in the Nuclear Policy approved by the Board of Directors in 2011 and published on the websites of the companies operating in this activity.

This policy establishes the commitment to act in such a way that, in all nuclear activities, whether Endesa is a majority or minority shareholder, the following are the main priorities: The safety and protection of workers, the public and the environment, as well as the promotion of excellence in all activities, going beyond mere compliance with legal requirements.

##### 4.5.1.6.1. Prevention and Risk Management

#### 3-3 Effluents and waste management approach EUSS

Endesa supervises compliance with Nuclear Policy of the nuclear power plants in which it is involved, which includes minimising discharges of effluent into the environment and the generation of radioactive waste.

Following the technical specificities of the facilities, Endesa's nuclear power plants have continuous monitoring and control of liquid and gaseous discharges, with very strict limits established by the regulatory body, the Nuclear Safety Council, in order to avoid affecting the environment and the population. In addition, as provided for in these specifications, radiological

monitoring of the surrounding environment is carried out by carrying out numerous analyses of air, water, soil, as well as extensive sampling and analysis of food. These environmental controls are also monitored and inspected by the regulatory body.

#### 4.5.1.6.2. Emergency Management

### 3-3 Disasters/Emergency planning and response management approach EUSS

Endesa's nuclear power plants are prepared to deal with emergency situations with the resources and procedures defined in:

<b>Internal Nuclear Emergency Plan (INEP)</b>	Structured in accordance with the regulations on nuclear and radioactive installations (state regulations). Each nuclear power plant has a specific INEP that details the actions, measures and responsibilities for preparing and responding to accidents, in order to mitigate their consequences, protect the facility's personnel and notify the competent authorities immediately, including the initial assessment of the potential consequences of the emergency. In addition, the INEPs establish the actions planned by the owner to assist in protection actions outside the facility, as established by the Basic Nuclear Emergency Plan (PLABEN).
<b>External Nuclear Emergency Plan (PEN)</b>	They aim to avoid, or at least reduce as far as possible, the adverse effects of ionizing radiation on the population and the environment. They are based on the standards and criteria established in the PLABEN and assign responsibilities to public entities or bodies, with the collaboration of the owners of the facilities.

The emergencies declared to deal with possible accidents in the nuclear power plants are classified into four categories depending on the severity of the event and the nature and amount of radioactive material that may be released (from Pre-alert to General Emergency). The measures to protect the population in the event of a real emergency are defined by state authorities following the guidelines of the Nuclear Safety Council based on the information provided continuously by the emergency centres of the nuclear power plant involved and its own information systems.

Emergency preparedness is ensured through regular exercises (drills) and specific training of all personnel involved. The drills are supervised by the Nuclear Safety Council, as well as by duly trained personnel belonging to the organization itself in order to identify areas for improvement within the continuous improvement process. Preparedness for emergencies is inspected periodically by the Nuclear Safety Council and audited regularly by the organisation itself. In addition, it is periodically evaluated by the *World Association of Nuclear Operators* (WANO) using the highest industry standards. The identified areas of improvement are processed and incorporated, as part of the continuous improvement process.

Stress tests on the safety of nuclear power plants, which were carried out in Spain and throughout Europe immediately after the Fukushima accident, determined safety margins in extreme scenarios (earthquakes, floods, failure of all sources of electricity or absence of water to cool the reactors) to check the response of the plants and whether measures were required to increase their robustness to cope with these scenarios.

As a result of this exercise, a series of improvements have been made that have been implemented by all Endesa plants. These include the availability of portable pumping and electricity generation equipment that can be easily connected to the plant in the event of a total loss of electricity; the installation of passive hydrogen recombiners in the containment building; construction of a new centre for emergency management, and venting systems filtering the atmosphere of the containment building.

The recovery phase, after an emergency, is contemplated by the Nuclear Emergency Plans. Recovery measures are mainly directed towards the physical environment and the restoration of normal living conditions. Its purpose is to reduce:

- External irradiation due to deposited radioactive substances.

- The transmission of radioactive substances to people, animals and food.
- Resuspension of radioactive substances.

All this, through the Internal Nuclear Emergency Plans (PEI), the responsibility of the owner of the facility and regulated by the regulations on nuclear and radioactive facilities (state regulations); of the External Nuclear Emergency Plans (PEN), based on the rules and criteria established by the Basic Nuclear Emergency Plan, assigning responsibilities to public entities or bodies; and the Local Information Committees, in which the Regulator, the Ministry, the City Councils of the areas affected by nuclear power plants and the representatives of the facilities themselves participate, to coordinate aspects at the local level.

The regulatory body maintains a plant safety supervision system, known as the SISC, the results of which are updated quarterly with the results published on its website<sup>36</sup> along with the rating of each of the plants. Among the areas subject to evaluation is the emergency preparedness, with three indicators called E1, E2 and E3 that characterize the situation of each plant in this area.

The company's critical event management process provides the framework for clarity, agility and efficiency in decision-making and internal/external communication in the management of incidents or accidents at nuclear power plants that may compromise the safety of people, the environment, assets or the image and reputation of the Company and its management, as well as the minimisation of impacts on stakeholders.

#### 4.5.1.6.3. Dismantling

### 3-3 Management Approach to Plant dismantling EUSS

In Spain, the dismantling of nuclear power plants and the management of radioactive waste, including spent nuclear fuel, is the responsibility of the State. This responsibility is assigned to Enresa<sup>37</sup>, a state-owned company.

The General Plan for Radioactive Waste (PGRR), an official document approved by the Ministry of Industry that is currently in its seventh edition, describes the scope, planning and economic assumptions for the provisions of the fund for the dismantling and management of radioactive waste from all Spanish nuclear power plants. This fund is fed by a tax on the monthly contributions of nuclear power plant owners.

### 4.5.2. Environmental Footprint

Endesa calculates its environmental footprint based on its own calculation methodology based on the most important existing international benchmarks, including the guidelines developed by the European Union for calculating the environmental footprint of organisations and products.

The environmental footprint is a multi-criteria measure of the company's environmental performance that evaluates the effects of the company's activities on the environment under the perspective of Life Cycle Assessment (LCA) (ISO/TS 14072:2014 standard) or "cradle-to-grave analysis"; this means considering all stages from the extraction of raw materials to the management of end-of-life products, through the stages of production and use.

The objectives of Endesa's environmental footprint are:

- Quantify and standardize the company's environmental performance.
- Analyse the impact of its activity on the different categories of environmental impact (sub-footprints).

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<sup>36</sup> [https://www.csn.es/sisc/index\\_i.do](https://www.csn.es/sisc/index_i.do)

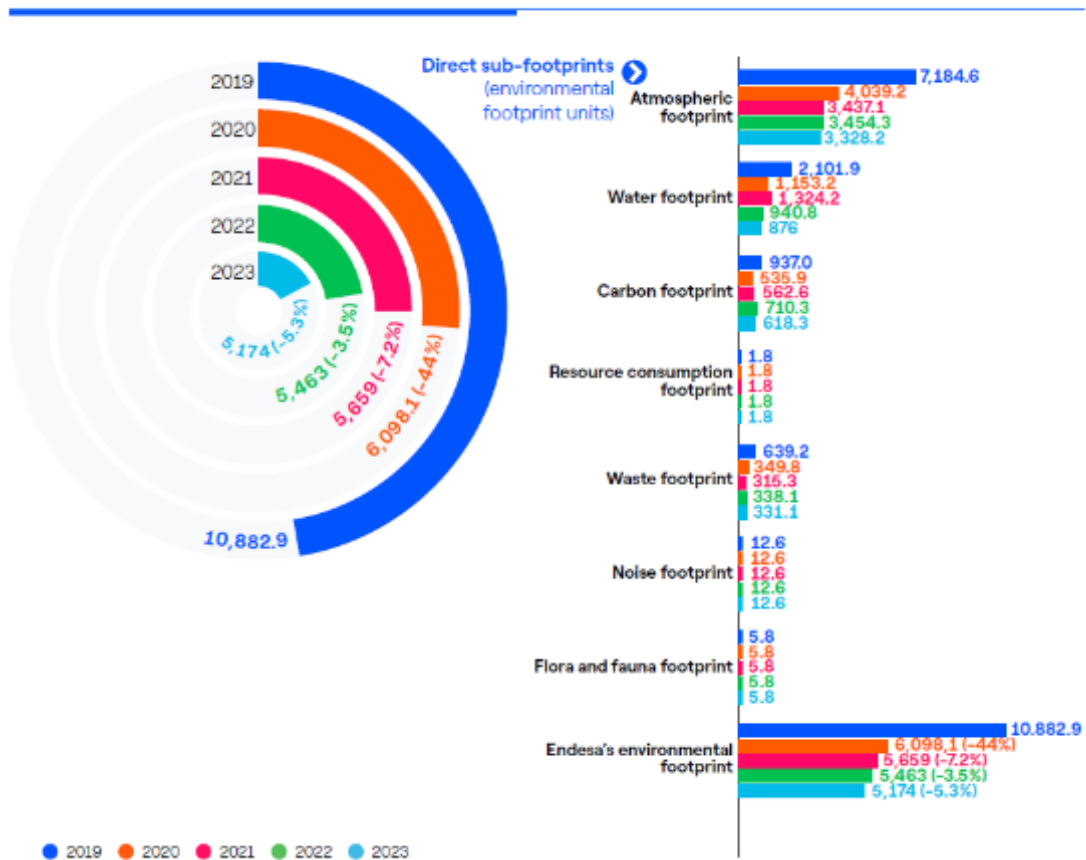
<sup>37</sup> <https://www.enresa.es/eng/>

- Contribute to the monitoring of the organization's environmental performance and allow the traceability of business objectives and environmental improvements.
- Identify and assess the environmental aspects that are most relevant to the company's activity.

During 2023, Endesa has maintained its commitment to excellence in environmental sustainability while exceeding by far its objectives for reducing its environmental footprint set out in its previous Strategic Plan. All this has led the organization to achieve a reduction in the value of its environmental footprint of 52% compared to 2019.

DIRECT SUB-FOOTPRINTS (FOOTPRINT UNITS)			
	2021	2022	2023
Atmospheric footprint	3,437.1	3,454.3	3,328.2
Water footprint	1,324.2	940.8	876
Carbon footprint	562.6	710.3	618.3
Resource Consumption Footprint	1.8	1.8	1.8
Waste footprint	315.3	338.1	331.1
Noise footprint	12.6	12.6	12.6
Flora and fauna footprint	5.8	5.8	5.8
<b>Endesa's environmental footprint</b>	<b>5,659 (-3.1%)</b>	<b>5,463 (-3.5%)</b>	<b>5,174 (-5.3%)</b>

### ENDESA'S ENVIRONMENTAL FOOTPRINT



### 4.5.2.1. Energy Resources

#### 3-3 Energy Management Approach

Endesa maintains its commitment to energy efficiency, which includes optimising generation processes, reducing losses in its distribution networks, reducing energy consumption at its buildings and facilities, and migration to more sustainable and efficient fleet. We also offer our customers a wide range of efficient products and services.

Endesa is also involved in communication and raising awareness among society and participates, both in Spain and abroad, in the most relevant forums for knowledge and dissemination of energy efficiency.

##### 4.5.2.1.1. Electricity Consumption

#### 302-1

The electricity consumption of the generation facilities is supplied with electricity produced by the company itself, so to avoid double counting its value is not reported.

The electricity consumption in all office buildings is of renewable origin, consumption that includes the charging stations installed to supply the company's electric fleet.

##### 4.5.2.1.2. Fuel Consumption

#### 301-1/302-1

The materials used to produce electricity are mainly fossil fuels. The use of coal has decreased as a result of the closure of mainland coal-fired power plants.

The table includes the fuels consumed in all of Endesa's activities. The use for electricity generation (all fuels) predominates, followed by electricity distribution (diesel oil) and to a lesser extent buildings (diesel oil and natural gas) and the vehicle fleet (diesel).

MATERIAL CONSUMPTION			
Fuel Type	2021	2022	2023
Coal (kt)	412	559	480
Fuel oil (kt)	792	805	781
Diesel oil (kt)	861	963	1,012
Natural gas (10 <sup>6</sup> m <sup>3</sup> )	2,148	3,235	2,432
Uranium (t uranium equivalent)	67	52	58

The amount of Uranium shown in the table corresponds to the new Uranium replaced in the cores.

Additionally, there was consumption of biogas amounting to 258 thousand m<sup>3</sup>.

##### 4.5.2.1.3. Energy Consumption

#### Internal Energy Consumption

The organisation's energy consumption is associated with the fuels consumed for electricity generation, distribution and commercialisation processes. Electricity self-consumption associated with generation installations has not been considered since installations are supplied by electricity produced by the organisation itself.

There has been a decrease in total energy consumption, mainly on account of the lower operation of combined-cycle gas and coal-fired power plants in 2023, to respond to electricity demand compared to the previous year.

#### INTERNAL ENERGY CONSUMPTION BY PRIMARY SOURCE (TJ)<sup>1</sup>

Fuel Type	2021	2022	2023
Coal	8,315	11,281	9,684
Fuel oil	31,877	32,386	31,440
Diesel oil	37,334	41,758	43,909
Natural gas	81,025	122,051	91,772
Uranium	270,605	282,872	265,773
<b>Total</b>	<b>429,156</b>	<b>490,348</b>	<b>442,578</b>

<sup>1</sup>TJ: Terajoules.

The total is 442,584 TJ when including energy consumption from renewable energy sources.

### External Energy Consumption

#### 302-2

For 2023, external energy consumption was estimated at 306.03 TJ, considering the fuel use of the vehicles of suppliers that work regularly with Endesa, and considering the same scope as in previous years. The calculation is based on the carbon footprint tool that is verified by AENOR according to UNE EN ISO 14064. The data may be subject to some modification due to the fact that at the time of preparation of this publication the external verification process is being carried out according to the requirements of the UNE EN ISO 14064 standard.

For more information, see section 4.1.5.1 *Carbon Footprint*.

### Non-renewable and Renewable Energy Consumption

NON-RENEWABLE ENERGY CONSUMPTION (TJ)	2022	2023
Fuel consumption from non-renewable sources (coal, fuel oil, diesel oil, natural gas, uranium)	490,348	442,579
Purchase of electricity, heat, steam and cooling generated from non-renewable sources	34	0
Other	0	0
<b>Total non-renewable energy consumption</b>	<b>490,382</b>	<b>442,579</b>
<b>Percentage of non-renewable energy consumption</b>	<b>99.97</b>	<b>99.97</b>

NON-RENEWABLE ENERGY CONSUMPTION (TJ)	2022	2023
Fuel consumption from renewable sources (biomass, biogas, renewable waste, green hydrogen, etc.)	26	6
Purchase of electricity, heat, steam and cooling generated from renewable sources	100	115
Self-consumption of renewable energy (electricity produced and consumed by renewable electricity generation facilities)	0	0
<b>Total renewable energy consumption</b>	<b>126</b>	<b>121</b>
<b>Percentage of renewable energy consumption</b>	<b>0.03</b>	<b>0.03</b>
<b>Total energy consumption</b>	<b>490,508</b>	<b>442,700</b>

Since April 2022, renewable electricity has been consumed in all office buildings, through Guarantees of Origin.

### Energy Efficiency in Internal Processes

Within the process of continuous improvement, Endesa is immersed in a global process of digitalisation of all the processes involved in its activity. In 2023, Endesa further intensified this

digitalisation process to improve its control and environmental protection processes. The main projects in this area were:

PROJECT	DEVELOPMENT
<b>Improvements to emission and discharge data acquisition systems</b>	Optimisation of the systems for the acquisition of data on emissions, air quality and discharges of the facilities, improving the communication of remote stations, taking advantage of cloud-type storage available on the market and facilitating the adaptation of calculation processes to emerging environmental legislation.
<b>Digital Waste Project</b>	Digitalisation of waste management in generation plants, creating a platform that helps in the logistics management of waste storage, and a document control platform that will speed up waste management procedures with authorised managers.
<b>EDEN Project</b>	Development of the digital platform for the processing of environmental information for internal and external reporting. It will facilitate the collection of information and ensure the reliability of the information provided and its subsequent analysis for the management of environmental improvements.
<b>DIMAS Project</b>	Design of a customised internal platform for the integrated management system of the facilities (environment, safety and quality). It allows better control of the evaluation of environmental aspects, setting objectives and goals for continuous improvement, identification and evaluation of legal compliance, as well as the resolution of non-conformities and observations that arise on a day-to-day basis.
<b>HEQ4U Project</b>	Development of a platform that allows all plant personnel to register potential environmental or security incidents ("Near Misses"), which makes it possible to detect situations that may pose a potential risk to the environment or security before the incident occurs, so that improvements can be implemented in time to prevent their occurrence.

In addition to the generation projects mentioned, in the distribution area, Endesa has continued developing a new functional tool that contributes to the environmental diagnosis of facilities. This tool was developed to support the registration of issues related to legal requirements.

### Reduction of energy consumption - Energy saving

#### 302-4

In 2023, Endesa has saved 8,639 GJ of energy thanks to the development of energy efficiency improvement programs. Programmes focused on the redesign of processes were also very important during the year, saving 4,562 GJ, while adaptations of equipment saved 2,830 GJ. These included modifications of lighting systems, which have been changed from conventional systems to LED systems in several buildings and facilities, together with the fitting of solar protection film to some glazed areas and the fitting of more efficient electrical pumps in some installations. In addition, it is worth highlighting the renewal of several electric vehicles in the fleet for more modern and efficient ones and the implementation of solar canopies for the electric vehicle charging area at the headquarters.

A total of 1,247 GJ was saved through optimisation of schedules and operating surfaces for both lighting and air conditioning according to the needs of the building, optimisation of the operation of air conditioning equipment, prioritising the use of the most efficient chiller machines and the modification of temperature setpoints to 27°C for cooling and 19°C for heating, in accordance with Royal Decree Law 14/2022, on economic sustainability measures in the field of transport, and energy saving and efficiency measures. This energy saving means a reduction in the company's carbon footprint and contributes to the reduction of the operating costs of the business.

ENERGY SAVINGS DUE TO CONSERVATION AND EFFICIENCY IMPROVEMENTS (GJ)			
Types of improvements	2021	2022	2023
Process redesign	230,070	0.3	4,562
Conservation and adaptation of equipment	3,343	6,724	2,830



<b>Total</b>	<b>233.413</b>	<b>6,997</b>	<b>8,639</b>
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In the case of energy savings due to efficiency improvements applied to generation, this value (GJ) is obtained by direct measurement at the output terminals in the facilities. This year there have been no major process redesign projects in our thermal power plants. These projects usually result in significant energy savings by improving their operating regime.

## Energy Intensity

### 302-3

The energy intensity has been calculated considering the internal energy consumption. The energy intensity value is affected by the proportion in the different generation technologies and the operation of each of them in the year.

#### ENERGY INTENSITY

Classification	2021	2022	2023
Total Energy Consumption (TJ)	429,156	490,373	442,584
Net Production (GWh)	57,592	64,715	60,264
Energy intensity (TJ/GWh)	7.452	7.58	7.34

#### INTENSITY OF ENERGY CONSUMPTION

Classification	2021	2022	2023
Energy consumption (GWh) <sup>1</sup>	119,211	136,215	122,940
Revenue (million euros) <sup>2</sup>	20,899	32,896	25,459
<b>Energy intensity (GWh/ million euros)</b>	<b>5.7</b>	<b>4.1</b>	<b>4.8</b>

<sup>1</sup> GWh is considered to be equal to 3.6 TJ.

<sup>2</sup> See Section 9.3.1 Revenue of the Consolidated Management Report 2023.

\* Both revenues and the energy intensity related to activities in high climate impact sectors are the same as Endesa's total, as all of Endesa's activities are in sectors with high climate impact.

#### 4.5.2.1.4. Other Consumption

Endesa uses other consumables necessary for the production of electricity. During 2023, total consumption was 9,717.2 tonnes, a decrease of 7.1% compared to 2022, due, once again, mainly to the reduction in the consumption of limestone for the combustion gas desulphurisation process of coal-fired power plants.

#### ENDESA CONSUMABLES (t)

Types	2021	2022	2023
Lime	306.2	61.4	84.6
Ferric chloride	144.0	173.2	130.3
Ammonium	451.6	335.3	449.3
Caustic Soda	169.5	430.6	307
Sulphuric and hydrochloric acid	532.3	397.4	364
Sodium hypochlorite	800.0	595	790.3
Chlorine dioxide	0.7	0	0
Magnesium oxide	33.8	93.3	97.8
Limestone used for combustion-gas desulphurisation	3,260.4	1,873.9	1,214
Lubricating oil	4,479.9	4,467.9	4,656.1
Dielectric oil	154.9	624.9	249.6
Other*	1218.0	1,404.1	1,374.2

<b>Total</b>	<b>11,551.3</b>	<b>10,457.2</b>	<b>9,717.2</b>
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Includes rarely used chemical compounds.

## 301-2

### USE OF RECYCLED MATERIALS (t)

Materials	2021	2022	2023
Filtered and reused lubricating oil	461.6	460.1	458.9
Reused Dielectric Oil	103.3	404.0	112.8
<b>Total recycled</b>	<b>565.0</b>	<b>864.0</b>	<b>571.8</b>

Endesa is firmly committed to the implementation of effective policies to give a second life to many materials by giving them a new use. The percentage of recycled input materials used to manufacture the company's main products and services as a share of total inputs is 6.2%.

#### 4.5.2.1.5. Energy Efficiency and Unavailability in Electricity Generation

##### EU11/EU30/3-3 System Efficiency Management Approach EUSS

Endesa, as in previous years, maintains a firm commitment to energy efficiency in its generation business, with the energy performance obtained from the natural resources used being fundamental. In a process of continuous improvement, the company continuously carries out actions to improve the efficiency of its plants, reducing emissions, reducing the consumption of ancillary products, optimising the start-up time and procedure, reducing leaks and installing recirculation systems, among others. Thus, the efficiency of Endesa's thermal power plants in 2023 has remained at values similar to those of the years prior to the recent energy crisis in all technologies.

The year 2023 has been an atypical year in terms of the operating regime of peninsular facilities, mainly due to the drought. Combined cycle power plants operated less than in the previous year, under regimes that led to this technology being less efficient. As for coal, only Alcudia thermal power plant has been considered, with the maximum possible operating regime limited to 500 hours per year, resulting in efficiency and availability being lower than in previous years.

### ENERGY EFFICIENCY OF THERMAL POWER PLANTS (%)

Type of plant	2021	2022	2023
Coal-fired power plants	35.2	33.3	29.0
Peninsular combined cycle thermal power plants	51.7	55.3	53.3
Extra-peninsular thermal power plants	42.1	42.0	41.2
<b>Average for thermal generation plants</b>	<b>44.9</b>	<b>47.1</b>	<b>44.9</b>

### UNAVAILABILITY OF THERMAL POWER PLANTS (%)

Type of plant	2021	2022	2023
Coal-fired power plants <sup>(1)</sup>	4.5	0.5	5.9
Peninsular combined cycle thermal power plants	15.0	14.2	14.6
Extra-peninsular thermal power plants	6.7	7.2	8.4
<b>Average for thermal generation plants</b>	<b>10.1</b>	<b>10.1</b>	<b>11.2</b>

<sup>1</sup>Figures excluding the impact of Puentes Coal.

With regard to unavailability, a distinction must be made between scheduled unavailability, which is different each year depending on the maintenance cycles that correspond to the facilities, and unavailability due to fortuitous causes. With regard to coal-fired thermal power plants, the operations scheduled for the year were 13 times higher than the previous year. Unforeseen circumstances mainly related to problems with Boiler 4 at the Alcudia 4 thermal power plant, which led to it being unavailable for more than a month. With regard to both peninsular and extra-peninsular combined cycles, unavailability has also been more compromised for two reasons: a lower operating regime and more start-ups and shutdowns compared to 2022.

For calculating the parameters of efficiency and non-availability the different regulatory regimes are considered separately as required by the GRI standard. The details of the criteria used for the calculation are:

- Coal-fired power plants: includes coal-fired power plants on the Spanish mainland and the Balearic Islands.
- Mainland combined cycle thermal power plants: includes combined cycle power plants located on the Spanish mainland.
- Non-mainland thermal power plants: includes all thermal power plants located in non-mainland territories, for all technologies except for coal.

## EU30

### ENERGY EFFICIENCY OF NUCLEAR POWER PLANTS (%)

Type of plant	2021	2022	2023
Nuclear Power Plants	35.3	35.2	35.1

### UNAVAILABILITY OF NUCLEAR POWER PLANTS (%)

Type of plant	2021	2022	2023
Nuclear Power Plants	12	9.1	13.9

Unavailability of nuclear power plants increased in 2023, mainly due to reduced loads at the request of the Load Office for all nuclear plants, and to the duration of reloading and equipment failures, including some external to the company, which forced unscheduled shutdowns.

## 4.5.2.2. Air Quality

### 3-3 Emissions Management Approach/305-7

#### ENDESA TRENDS IN ABSOLUTE EMISSIONS OF SO<sub>2</sub>, NO<sub>x</sub> AND PARTICLES (t)

Emission type	2021	2022	2023
SO <sub>2</sub>	7,591	7,596	7,147
NO <sub>x</sub>	43,413	43,088	42,527
Particles	703	682	677

#### ENDESA'S PERFORMANCE IN RELATION TO SPECIFIC SO<sub>2</sub>, NO<sub>x</sub>, AND PARTICLE EMISSIONS (g/kWh)

Emission Type	2021	2022	2023
SO <sub>2</sub>	0.13	0.12	0.12
NO <sub>x</sub>	0.75	0.67	0.71
Particles	0.01	0.01	0.01

During 2023, the trend of decreasing air pollutants in recent years, which was halted by the energy crisis resulting from the war in Ukraine, has recommenced. It was not necessary to generate as much electricity from combined-cycle natural gas power plants as in the previous year and Endesa continued its plan to close coal-fired power plants and to implement and commission efficiency and environmental protection measures in its facilities.

As part of its climate action, Endesa has the ambitious goal of reducing emissions by dismantling its thermal fleet to become a company with a fully renewable generation mix by 2040.

During this year, the company has continued to carry out actions aimed at improving air quality, such as:

- Ending of activity of As Pontes coal-fired thermal power plant.
- Testing the use of biomass fuel, such as bioliquid HVO, in the generation of electricity in electricity systems in non-mainland regions.

The implementation of all the aforementioned measures has made it possible to reduce both absolute and specific emissions in 2023, which is reflected in the results obtained in all environmental indicators related to air pollution.

#### **Real-time Control and Monitoring System for All Emissions**

Endesa has an exhaustive real-time control and supervision system for all its emissions, allowing it to ensure compliance with the emission limit values of each of its facilities and the air quality in their surroundings at all times. To this end, it carries out a rigorous control and maintenance of the chimney measuring equipment, and subjects it to annual inspections carried out by accredited external laboratories.

The company complies with the parameters required by the applicable regulation, implements technologies that minimize its emissions, and designs and applies corrective measures for the impacts generated. Endesa has the corresponding protocols for access to the facilities by external entities that adopt work procedures that guarantee the safety of both external and internal personnel, which have made it possible during 2023 to continue with the inspection and quality assurance processes of the environmental control equipment, as well as the taking of samples to comply with the environmental requirements derived from current legislation.

During this year, the optimisation of emission control systems has also continued, renewing the analysers, replacing the older ones with more modern ones.

#### **4.5.2.3. Emissions of Substances of Concern and Substances of Very High Concern**

##### **305-6/305-7/3-3 Emissions Management Approach**

During the year 2023, no ozone-depleting substances have been produced.

Endesa does not report the total quantities of substances of concern or very high concern, as none of these are used or generated in its operations, or their use is negligible.

#### **4.5.2.4. Noise and Light Pollution**

##### **3-3 Emissions Management Approach**

The limit values under which both the noise and light pollution parameters must be found are established in the environmental legislation and, in a consistent manner, the applicable limits are included in the authorisations of the different Endesa facilities. Ensuring that values are maintained within regulated margins is achieved through environmental management systems certified by independent third parties.

This is a non-material indicator for the company, as can be seen from the materiality analysis carried out annually.

### 4.5.3. Water Resources

#### 3-3 Water and Effluents Management Approach/EUSS Water and Effluents Management Approach

Integrated water management is a strategic issue for Endesa. In the interest of preserving water quality and maintaining continuous improvement in its interaction with this resource, Endesa carries out water abstractions efficiently and responsibly, always complying with current regulations and in accordance with the principles of the environmental management system implemented in all facilities. All water uses in Endesa's facilities are carried out in a sustainable manner, especially water uses in generation facilities, always granted taking into account their compatibility with pre-existing users. Power plants always operate in coordination with catchment bodies to ensure compliance with easements, to maintain environmental flows and to encourage the most rational use of the resource. Water discharges are always carried out complying with the regulations that apply to them and in accordance with the implemented environmental management system that monitors the discharge conditions of each facility.

Power generation facilities utilise the water they use in the process for other purposes such as irrigation, supply, or ecosystem conservation. This availability is achieved through cooperation with basin organizations.

Hydroelectric infrastructures have various ecosystem services associated with them that are of benefit to society, including provision services, services for the regulation of flows, maintenance of the environment for humans, and cultural services, all maintained over time in a sustainable manner. During the 2023 financial year, a series of actions have been carried out in relation to the management of water resources in hydroelectric power plants:

- Actions established to minimise the impact of withdrawals from reservoirs and measures against their siltation, such as bathymetry activities to control sedimentation or environmental oversight plans as part of withdrawal activities, supporting recovery of affected water wildlife and removing invasive species.
- Improvements in the turbines of several generators for enhanced efficiency in the use of the resource.
- Actions on dams and weirs to eliminate the barrier effect through improvements and construction of fish ladders.
- Implementation of measures to prevent animals falling into dams or facilitating their escape in channels that pose a risk to wildlife.

Endesa annually sets improvement objectives related to the use of water in its interactions, within its environmental management system. To address these objectives, the company follows a process of exhaustive and continuous analysis of each impact and objective, implementing different solutions:

- Water consumption control systems.
- Reuse of rainwater for irrigation.
- Continuous improvement of water quality through the control of discharges and wastewater.
- Preservation of the ecological status of reservoirs and associated regulated river sections.

Endesa monitors water-related objectives through a process of monitoring and control of key indicators:

- Water collected for industrial use in the electricity generation process ( $m^3/GWh$ ): Measurement of the water we use in our electricity generation processes (not including cooling water) for each unit of energy produced (GWh). The figures are compared with previous years to assess progress.

- Reduction of water consumption in offices (% annual reduction): Setting goals to reduce water consumption in offices and evaluating success, calculating the percentage decrease compared to the previous year.

In this regard, it is worth mentioning the action of Mahón thermal power plant to reuse the water from the sewage treatment plant as a contribution to the plant, or the project to detect and repair leaks in the system of underground water pipes of the fire protection system that is supplied with water from the public network at the in Alcudia thermal power plant.

Likewise, improvements aimed at reducing specific consumption of process water continue to be sought, especially in those plants that make use of fresh water, as is the case of the Besós combined cycle thermal plant, where an improvement has been implemented to replace mains water with demineralised water in the desalinated water generation process. This improvement not only reduces the consumption of drinking water from the network, but also improves the energy efficiency of the process by reducing energy consumption for the generation of desalinated water.

As a result of this improvement process, in 2023, more than 250,000 m<sup>3</sup> of process water were recovered, equivalent to 3% of the total consumption of process water in thermal power plants.

### CDP Water Disclosure

For the fifteenth consecutive year, Endesa has participated in CDP Water Disclosure. This initiative requires companies to analyse the current and future risks of their water resources, reporting information related to water strategy and use, including use reduction objectives, and does so in accordance with the requirements of institutional investors and companies with strong purchasing power. Endesa achieved the *Management* category this year.

#### 4.5.3.1. Water Collection, Consumption and Discharge

##### 303-1/303-2/303-3/303-4/303-5/3-3 Water and effluents Management approach/ Water and effluents EUSS

Integrated water management is one of Endesa's greatest concerns. The main lines of action in this area are: improving efficiency in consumption; improving water quality in catchment water bodies by controlling discharges and waste water, and through reservoir management; assessing the ecological potential to provide shelter for birdlife and the possibilities to control invasive species; and on-going monitoring to prevent the existence of dried-up sections of regulated rivers.

In 2023 107,400 m<sup>3</sup> of water was recycled in the processes, which represents 2.4% of the total water collected for industrial use (not including refrigeration).

PROCESS WATER WITHDRAWAL (MI)			
Type of process	2021	2022	2023
Thermal generation	2,889	3,195	2,946
Nuclear power	1,676	1,565	1,527
Renewable generation	1	2	5
<b>Total</b>	<b>4,566</b>	<b>4,762</b>	<b>4,478</b>

VOLUME OF RECYCLED WATER (MI)			
	2021	2022	2023
Recycled water	38.4	95.8	107.4

The table for process water withdrawal includes water used in cleaning solar panels, which amounted to 5,000 m<sup>3</sup> in 2023.

The specific withdrawal of water for industrial use (not including cooling water) in the electricity generation process in 2023 amounted to 74.3 l/MWh.

The following table details water collection by type of source, showing a decrease compared to 2022 in freshwater collection, due to lower operation of combined cycle power plants and reduced operating hours at the As Pontes coal-fired plant, and improvements to reduce the consumption of freshwater in processes in the WAVE project. It should be noted that the use of water in refrigeration is a non-consumptive use, which allows it to be returned to the environment under adequate conditions to guarantee its subsequent uses. 99% of the total water collected is returned to the environment in conditions suitable for possible subsequent uses.

Regarding discharges, Endesa has a series of procedures in place to help control and reduce discharges into water systems and improve its quality, mainly through wastewater treatment facilities. In 2023, the hydraulic production units continued the migration from Kaplan turbines to oil-free systems to eliminate the risk of spillages.

In 2023, there was a slight decrease in water discharges by all thermal and nuclear power plants compared to 2022, in line with the decrease in water collection.

#### WATER WITHDRAWAL BY SOURCE (MI)

	2021			2022		2023	
	All Areas	Water zones <sup>4</sup>	stress	All Areas	Water stress zones	All areas	Water stress zones
<b>Surface water<sup>1</sup></b>							
Freshwater (<=1000 mg/l)	1,909,155		0	2,501,414	936,658	<b>2,297,033</b>	<b>936,742</b>
Other waters (>1000 mg/l)	21		0	25	25	<b>102</b>	<b>102</b>
<b>Total</b>	<b>1,909,176</b>		<b>0</b>	<b>2,501,439</b>	<b>936,683</b>	<b>2,297,135</b>	<b>936,844</b>
<b>Seawater<sup>2</sup></b>							
Freshwater (<=1000 mg/l)	0		0	0	0	<b>0</b>	<b>0</b>
Other waters (>1000 mg/l)	2,953,672		852,594	2,896,323	803,457	<b>3,051,604</b>	<b>792,110</b>
<b>Total</b>	<b>2,953,672</b>		<b>852,594</b>	<b>2,896,323</b>	<b>803,457</b>	<b>3,051,604</b>	<b>792,110</b>
<b>Groundwater</b>							
Freshwater (<=1000 mg/l)	9		5	8	5	<b>3</b>	<b>0</b>
Other waters (>1000 mg/l)	0		0	0	0	<b>14</b>	<b>14</b>
<b>Total</b>	<b>9</b>		<b>5</b>	<b>8</b>	<b>5</b>	<b>17</b>	<b>14</b>
<b>Third-party water<sup>3</sup></b>							
Freshwater (<=1000 mg/l)	874		270	903	234	<b>681</b>	<b>173</b>
Other waters (>1000 mg/l)	58		0	204	0	<b>142</b>	<b>0</b>
<b>Total</b>	<b>932</b>		<b>270</b>	<b>1,107</b>	<b>234</b>	<b>823</b>	<b>173</b>
<b>Total</b>							
<b>Freshwater (&lt;=1000 mg/l)</b>	<b>1,910,038</b>		<b>275</b>	<b>2,502,325</b>	<b>936,897</b>	<b>2,297,716</b>	<b>936,915</b>
<b>Other water (&gt;1000 mg/l)</b>	<b>2,953,751</b>		<b>852,594</b>	<b>2,896,552</b>	<b>803,482</b>	<b>3,051,862</b>	<b>792,226</b>
<b>Total</b>	<b>4,863,789</b>		<b>852,869</b>	<b>5,398,877</b>	<b>1,740,361</b>	<b>5,349,578</b>	<b>1,729,141</b>

<sup>1</sup>Surface water is water collected from rivers, lakes, reservoirs and wetlands.

<sup>2</sup>Collected water used in cooling and desalination processes.

<sup>3</sup>Water collected from the municipal network and external wastewater.

<sup>4</sup>The water collection of power plants in water stressed areas in 2021 was calculated using the scarcity criteria applied at the time.

#### WATER DISCHARGE BY DESTINATION (MI)

	2021		2022		2023	
	All Areas	Water stress zones <sup>4</sup>	All Areas	Water stress zones	All areas	Water stress zones
<b>Surface water<sup>1</sup></b>						
Freshwater (<=1000 mg/l)	1,892,322	0	2,477,462	934,809	2,276,242	934,679
Other waters (>1000 mg/l)	0	0	0	0	0	0
<b>Total</b>	<b>1,892,322</b>	<b>0</b>	<b>2,477,462</b>	<b>934,809</b>	<b>2,276,242</b>	<b>934,679</b>
<b>Seawater<sup>2</sup></b>						
Freshwater (<=1000 mg/l)	602	44	377	3	415	61
Other waters (>1000 mg/l)	2,949,568	852,076	2,894,268	803,202	3,050,302	791,991
<b>Total</b>	<b>2,950,170</b>	<b>852,120</b>	<b>2,894,645</b>	<b>803,205</b>	<b>3,050,717</b>	<b>792,052</b>
<b>Groundwater</b>						
Freshwater (<=1000 mg/l)	0	0	0	0	0	0
Other waters (>1000 mg/l)	0	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Third-party water<sup>3</sup></b>						
Freshwater (<=1000 mg/l)	3,345	122	462	110	406	103
Other waters (>1000 mg/l)	286	0	500	0	656	0
<b>Total</b>	<b>3,631</b>	<b>122</b>	<b>962</b>	<b>110</b>	<b>1,062</b>	<b>103</b>
<b>Total</b>						
<b>Freshwater (&lt;=1000 mg/l)</b>	<b>1,896,269</b>	<b>166</b>	<b>2,478,301</b>	<b>934,922</b>	<b>2,277,063</b>	<b>934,843</b>
<b>Other water (&gt;1000 mg/l)</b>	<b>2,949,854</b>	<b>852,076</b>	<b>2,894,768</b>	<b>803,202</b>	<b>3,050,958</b>	<b>791,991</b>
<b>Total</b>	<b>4,846,123</b>	<b>852,242</b>	<b>5,373,069</b>	<b>1,738,124</b>	<b>5,328,021</b>	<b>1,726,834</b>

<sup>1</sup>Surface waters are those of rivers, lakes, reservoirs and wetlands.

<sup>2</sup>Seas or oceans.

<sup>3</sup>Discharges to third parties (municipal network or others).

<sup>4</sup>The discharges of power plants in water stressed areas in 2021 were calculated using the scarcity criteria applied at the time.

#### WATER CONSUMPTION (MI)

Category	2021		2022		2023	
	All Areas	Water stress zones <sup>2</sup>	All Areas	Water stress zones	All areas	Water stress zones
Freshwater (<=1000 mg/l)	13,769	109	24,024	1,975	20,653	2,072
Other waters (>1000 mg/l)	3,897	518	1,784	280	904	235
<b>Total (MI)</b>	<b>17,666</b>	<b>627</b>	<b>25,808</b>	<b>2,255</b>	<b>21,557</b>	<b>2,307</b>
<b>Total (m<sup>3</sup>)</b>	<b>17,666,000</b>	<b>627,000</b>	<b>25,808,000</b>	<b>2,255,000</b>	<b>21,557,000</b>	<b>2,307,000</b>

<sup>1</sup>Water consumption is the difference between water collected and water discharge. Rainwater is not taken into account when calculating consumption.

<sup>2</sup>The consumption of power plants in water stressed areas in 2021 was calculated using the scarcity criteria applied at the time.

As part of the process of continuously improving of generation facilities, specific actions are being undertaken with a view to reducing water consumption and improving discharge conditions. These include an initiative that will be launched for the reuse of water from the production process of the Son Reus combined cycle thermal power plant for its use in the Mallorca photovoltaic generation facility, mainly for washing the panels and irrigation, creating a sustainable circular-economy model for the management of water collected, which is included in Endesa's environmental policy. This is confirmed by the company's water consumption, which was 16% lower than in 2022.

#### 4.5.3.2. Water Stress

##### 3-3 Water and effluents Management Approach

As every year, Endesa carried out an analysis to identify which of its facilities which use a significant amount of water are in a water stress zones, and what uses of water have been made.



It is important to note that the water stress of an area is inherent to the area and is not in any case motivated by the presence of an installation.

Water stress was analysed using the World Resources Institute (WRI) Aqueduct Water Risk Atlas tool, aimed at companies and organisations to facilitate the identification and analysis of the consumption of water produced during the development of their production activity, in addition to evaluating the risks related to their global operations and their supply chain in relation to the use of water resources. Water stress measures the relationship between total water withdrawals and available renewable supplies of surface and groundwater.

The analysis has been carried out on the electricity production facilities that use and consume water for their operation. Hydroelectric power plants do not consume water because they make a non-consumptive use of it.

The conclusions drawn from the water stress study are:

- 24 of Endesa's thermal power plants are in areas defined as having water stress (extremely high, high, and medium-high ratio between total water withdrawals and available renewable supplies of surface and groundwater (>20%)). This represents 82.8% of Endesa's thermal power stations.
- Only 25% of the thermal power plants located in areas of water stress consume fresh water in their processes. The sum of this consumption is 0.126 hm<sup>3</sup>. Endesa optimises the use of fresh water in all its facilities, whether they are located in areas of water stress or not.

It should also be noted that all the facilities have an ISO 14001-certified environmental management system. Many of their environmental management programmes set objectives for reducing water consumption or improving discharges, which are measures that will reduce the facilities' impact on the availability of freshwater resources in their respective catchment areas.

### **303-3/303-5**

The withdrawal of fresh water for industrial use in thermal power plants located in areas of stress and that consume part of this water during 2023 was 11.4% of the total water withdrawn for industrial use. 70% of the fresh water collected for industrial use in areas of water stress relates to the Almaraz nuclear power plant (water from the Torrejón-Tajo reservoir).

It should be borne in mind that 99% of the total water collected is returned to the environment in suitable conditions for subsequent uses.

The consumption of fresh process water by facilities in stress areas represents 0.58% of total water consumption. It should be noted that a large part of the process water used in Endesa's plants is desalinated seawater.

### **4.5.4. Waste Management**

#### **301-2/303-4/306-1/306-2/306-3/306-4/306-5/3-3 Materials Management Approach EUSS /3-3 Effluent and Waste Management Approach EUSS /3-3 Waste Management Approach**

Endesa has environmental management systems that include specific operating procedures on the management of waste generated in all its activities and that are continuously reviewed to detect and promote improvements, as well as to reflect the legislative developments that are emerging in the matter. Waste is managed according to the waste hierarchy (prevention, preparation for reuse, recycling, other types of recovery, including energy, and final disposal), always starting with prevention, and when that is not possible, prioritising the treatments of recovery and recycling of the waste it generates, especially inert waste, as well as the preparation for the reuse of those hazardous wastes where this is possible, for example, used oils or cleaning solvents.

Waste management is outsourced to several authorised waste managers, for which there are mandatory requirements regarding documentation, deadlines and operations. A minimum percentage of recovery of both hazardous and non-hazardous waste is required, and priority is given to waste managers that ensure final recycling and recovery treatments. To ensure the correct management of waste through to its final treatment, Endesa requires that all agents have certification for the entire process through to the "end of life" of all waste removed and, in particular, the intermediate treatment generated. In particular, for some types of waste, evidence of 100% recycling/recovery final treatment is required.

At the same time, studies are being carried out and pilot projects are being launched by the different lines of business to identify viable alternatives (technically and economically) to ensure the recovery or second life of certain types of waste, in line with the principles of the circular economy, which is developed in more detail in chapter 4.4.3. *Circular Economy*.

The recovery rate of all waste produced in Endesa's different activities in 2023 (construction, operation and decommissioning) was 93%, which corresponds to the recovery of 95% of total non-hazardous waste and 60% of total hazardous waste in Spain and Portugal.

Endesa mainly relies on contractors to carry out construction, maintenance and dismantling activities, as it is their activity that generates waste. Endesa sets identical requirements for them as it does for those managed by waste managers under framework contracts, with requirements of minimum recovery percentages and successful results in this regard. The recovery of non-hazardous waste is practically total in the construction phase, ensuring that the correct classification of waste during the stage in which it is generated. In the latest tenders for demolition work on thermal power plants, contractors have been required to obtain certification of zero waste, which means that at least 90% is recovered in waste management.

The following table shows the details of the waste generated in the different phases of Endesa's activities: construction, operation and decommissioning. Currently, and given the important transformation that the company is carrying out to materialise its commitment to energy transition and achieve fully renewable generation by 2040, the construction and dismantling phases are very relevant, and consequently the waste generated in these phases reaches figures much higher than those generated in the operation phase.

#### TOTAL WASTE BY PHASE (t)

	Hazardous waste (HW)		Percentage recovery		Non-hazardous waste (NHW)		Percentage recovery		Total	
	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023
Construction Phase	7	3,544	31%	36%	667,127	229,327	98%	96%	667,134	232,871
Operation Phase	13,855	16,332	74%	68%	28,410	16,605	96%	65%	42,265	32,937
Decommissioning Phase	6,569	4,092	10%	47%	119,231	144,928	85%	97%	125,801	149,021
<b>Total</b>	<b>20,431</b>	<b>23,968</b>	<b>54%</b>	<b>60%</b>	<b>814,768</b>	<b>390,861</b>	<b>96%</b>	<b>95%</b>	<b>835,200</b>	<b>414,829</b>

Due to the order of magnitude and with the aim of not masking the management of the other types of waste, the waste of ash, slag and gypsum, corresponding to non-hazardous waste, is presented separately from the rest of the waste in an individual table.

The table below complements the previous table, reflecting ash, slag and gypsum. It is worth noting the downward trend due to the disappearance of coal-fired generation.

#### PRODUCTION AND MANAGEMENT OF ASH, SLAG AND GYPSUM IN OPERATION PHASE<sup>1</sup> (t)

	2021			2022			2023		
	Produced	Recovered	Landfill	Produced	Recovered	Landfill	Produced	Recovered	Landfill
Ashes	59,665	13,306	46,359	36,993	7,060	29,932	42,649	11,244	31,405 <sup>2</sup>
Slag	5,710	506	5,204	12,695	0	12,695	11,097	0	11,097
Gypsum	5,537	107	5,429	13,243	2,865	10,379	6,302	0	6,302

**PRODUCTION AND MANAGEMENT OF ASH, SLAG AND GYPSUM IN OPERATION PHASE<sup>1</sup> (t)**

	2021			2022			2023		
	Produced	Recovered	Landfill	Produced	Recovered	Landfill	Produced	Recovered	Landfill
Waste recovered (%)		19.6%			15.8%			18.73%	

<sup>1</sup>Recovered waste is considered to be waste delivered to an authorised waste manager to undergo recovery by this company. The cement and construction industries are the main ash and slag recovery markets, while the panel manufacturer sector acts as such for gypsum.

<sup>2</sup>Of which, 761 (t) were processed before being taken to landfill.

The following tables illustrate Endesa's efforts to properly manage the waste generated in the operation and maintenance phase.

**WASTE GENERATED BY TYPE IN THE OPERATION PHASE<sup>1</sup> (t)**

	2021			2022			2023		
	Hazardous waste (HW)	Non-hazardous waste (NHW)	Total	Hazardous waste (HW)	Non-hazardous waste (NHW)	Total	Hazardous waste (HW)	Non-hazardous waste (NHW)	Total
Construction & Demolition Waste	34	16,065	16,098	19	1,373	1,392	31	6,250	6,281
Industrial Waste	6,457	6,695	13,152	8,241	4,217	12,458	9,441	5,609	15,050
Sludge	184	2,227	2,411	162	1,306	1,468	277	616	893
Oils and aqueous liquid	1,694	0	1,694	2,128	0	2,128	2,455	0	2,455
Municipal solid waste (MSW)	17	1,655	1,672	36	1,723	1,759	26	1,954	1,979
Electronic electrical waste	113	30	143	154	44	197	238	40	278
Other waste	3,287	12,879	16,167	3,116	19,747	22,863	3,865	2,136	6,001
<b>Total</b>	<b>11,786</b>	<b>39,551</b>	<b>51,337</b>	<b>13,855</b>	<b>28,410</b>	<b>42,265</b>	<b>16,332</b>	<b>16,605</b>	<b>32,937</b>

<sup>1</sup>The table does not contain ash, slag and gypsum, nor radioactive waste.

**WASTE BY TREATMENT TYPE IN THE OPERATION PHASE<sup>1, 2</sup>(t)**

	2021			2022			2023		
	Hazardous waste (HW)	Non-hazardous waste (NHW)	Total	Hazardous waste (HW)	Non-hazardous waste (NHW)	Total	Hazardous waste (HW)	Non-hazardous waste (NHW)	Total
<b>Recovered waste</b>	8,764	37,154	45,918	10,297	27,314	37,611	11,075	10,748	21,823
Recovery/Recycling	8,764	37,154	45,918	10,297	27,314	37,611	11,075	10,748	21,823
<b>Percentage of waste recovered (%)</b>	74.4%	93.9%	89.4%	74.3%	96.1%	89.0%	67.8%	64.7%	66.3%
<b>Waste disposed of</b>	3,022	2,397	5,419	3,558	1,096	4,654	5,257	5,857	11,114
Incineration (with energy recovery)	554	54	608	639	53	693	1,969	78	2,047
Incineration (without energy recovery)	7	1	8	5	1	6	1	0	1
Sent to landfill	626	1,561	2,187	1,140	533	1,673	1,025	5,501	6,526
Other disposal operations	1,835	781	0	1,774	509	2,282	2,262	278	2,540

**WASTE BY TREATMENT TYPE IN THE OPERATION PHASE<sup>1, 2</sup>(t)**

	2021			2022			2023		
	Hazardous waste (HW)	Non-hazardous waste (NHW)	Total	Hazardous waste (HW)	Non-hazardous waste (NHW)	Total	Hazardous waste (HW)	Non-hazardous waste (NHW)	Total
<b>Percentage of waste destined for disposal (%)</b>	25.6%	6.1%	<b>10.6%</b>	25.7%	3.9%	<b>11.0%</b>	32.19%	35.27%	<b>33.74%</b>
<b>Total</b>	<b>11,786</b>	<b>39,551</b>	<b>51,337</b>	<b>13,855</b>	<b>28,410</b>	<b>42,265</b>	<b>16,332</b>	<b>16,605</b>	<b>32,937</b>

<sup>1</sup>This refers to tasks performed outside facilities, as within facilities none is produced.

<sup>2</sup>The table does not contain ash, slag and gypsum, or radioactive waste.

**WASTE RECOVERED BY TYPE IN THE OPERATION PHASE<sup>1</sup> (t)**

	2021			2022			2023		
	Hazardous waste (HW)	Non-hazardous waste (NHW)	Total	Hazardous waste (HW)	Non-hazardous waste (NHW)	Total	Hazardous waste (HW)	Non-hazardous waste (NHW)	Total
Construction & Demolition Waste	25	15,652	<b>15,677</b>	13	1,260	<b>1,273</b>	26	1,135	<b>1,161</b>
Industrial Waste	5,132	6,599	<b>11,731</b>	6,744	4,197	<b>10,941</b>	7,222	5,582	<b>12,804</b>
Sludge	23	757	<b>779</b>	486	3,919	<b>4,405</b>	102	252	<b>354</b>
Oils and aqueous liquid residues	1,610	0	<b>1,610</b>	2,017	0	<b>2,017</b>	1,707	0	<b>1,707</b>
Municipal solid waste (MSW)	8	1,286	<b>1,294</b>	20	1,443	<b>1,463</b>	10	1,725	<b>1,735</b>
Electronic electrical waste	112	30	<b>142</b>	155	43	<b>198</b>	237	40	<b>277</b>
Other waste	1,853	12,831	<b>14,684</b>	862	16,452	<b>17,314</b>	1,771	2,014	<b>3,786</b>
<b>Total</b>	<b>8,764</b>	<b>37,155</b>	<b>45,919</b>	<b>10,297</b>	<b>27,314</b>	<b>37,611</b>	<b>11,075</b>	<b>10,748</b>	<b>21,823</b>

<sup>1</sup>The table does not contain ash, slag and gypsum, or radioactive waste.

**WASTE FOR DISPOSAL BY TYPE IN THE OPERATION PHASE<sup>1</sup> (t)**

	2021			2022			2023		
	Hazardous waste (HW)	Non-hazardous waste (NHW)	Total	Hazardous waste (HW)	Non-hazardous waste (NHW)	Total	Hazardous waste (HW)	Non-hazardous waste (NHW)	Total
Construction & Demolition Waste	8	413	<b>421</b>	6	112	<b>118</b>	6	5,115	<b>5,121</b>
Industrial Waste	1,324	96	<b>1,421</b>	1,626	21	<b>1,646</b>	2,219	27	<b>2,246</b>
Sludge	161	1,471	<b>1,632</b>	159	623	<b>781</b>	175	364	<b>539</b>
Oils and aqueous liquid residues	83	0	<b>83</b>	110	0	<b>110</b>	748	0	<b>748</b>
Municipal solid waste (MSW)	9	369	<b>378</b>	16	280	<b>295</b>	15	229	<b>245</b>
Electronic electrical waste	1	0	<b>1</b>	2	1	<b>3</b>	1	0	<b>1</b>
Other waste	1,435	48	<b>1,483</b>	1,641	60	<b>1,701</b>	2,094	122	<b>444</b>
<b>Total</b>	<b>3,022</b>	<b>2,397</b>	<b>5,419</b>	<b>3,558</b>	<b>1,096</b>	<b>4,654</b>	<b>5,257</b>	<b>5,857</b>	<b>11,114</b>

<sup>1</sup>The table does not contain ash, slag and gypsum, or radioactive waste.

**WASTE PRODUCED AND RECOVERED BY ACTIVITY IN THE OPERATION PHASE (t) <sup>1</sup>**

			2021		2022		2023	
<b>Non-hazardous waste (NHW)</b>			Produced	Recovered	Produced	Recovered	Produced	Recovered <sup>2</sup>
Thermal Production (UPT)	Units		5,700	4,050	2,807	2,107	2,672	2,190
Hydraulic Production (UPH)	Units		302	144	419	140	330	258
Port Terminals			347	347	81	81	124	124
Nuclear			2,171	2,020	2,070	2,011	7,270	2,080
Distribution			30,826	30,414	22,797	22,762	5,836	5,819
Renewables (wind, photovoltaic, biomass)			12	11	43	37	74	74
Buildings			195	169	193	177	262	166
Marketing							37	37
<b>Total</b>			<b>39,551</b>	<b>37,155</b>	<b>28,410</b>	<b>27,314</b>	<b>16,605</b>	<b>10,748</b>
<b>Hazardous waste (HW)</b>								
Thermal Production (UPT)	Units		6,434	3,998	7,618	4,592	8,972	4,143
Hydraulic Production (UPH)	Units		235	221	118	86	176	105
Port Terminals			6	5	7	7	5	4
Nuclear			479	118	599	253	498	308
Distribution			4,488	4,295	5,347	5,206	6,463	6,325
Renewables (wind, photovoltaic, biomass)			144	127	164	151	216	189
Buildings			1	1	4	3	1	1
Marketing							0	0
<b>Total</b>			<b>11,786</b>	<b>8,764</b>	<b>13,855</b>	<b>10,297</b>	<b>16,332</b>	<b>11,075</b>

<sup>1</sup>The table does not contain ash, slag and gypsum, or radioactive waste.

<sup>2</sup>Recovered waste is considered to be waste delivered to an authorised waste manager to undergo recovery by this company.

In relation to the main activities that generate waste in the Distribution business:

- Construction: construction and demolition waste, excavated earth and stones for foundations of new installations and underground cables.
- Operation and maintenance: constant renewal of infrastructure through progressive digitalisation with the consequent improvement of service quality and reduction of losses. Waste electrical equipment is also generated in the renewal of MV/LV transformer installations when they have oil polluted with PCBs.

The following table shows the amounts of radioactive waste generated at nuclear power plants:

<b>RADIOACTIVE WASTE PRODUCED (m<sup>3</sup>)</b>			
	2021	2022	2023 <sup>1</sup>
Solids	185.4	183.9	172.4

<sup>1</sup>The variation in the value of radioactive waste is attributable to refuelling activities.

The following table shows the amounts of waste generated in the offices:

<b>TYPE OF WASTE GENERATED IN OFFICES<sup>1</sup> (kg)</b>			
	2021	2022	2023
Solid urban waste	135,665	152,539	207,970

#### TYPE OF WASTE GENERATED IN OFFICES<sup>1</sup> (kg)

	2021	2022	2023
Paper and cardboard	37,224	15,400	20,570
Plastic bottles	2,173	0	7,171
Metal containers	0	0	0
<b>Total non-hazardous waste</b>	<b>175,062</b>	<b>167,939</b>	<b>235,711</b>

<sup>1</sup>This waste is counted in the non-hazardous waste in the previous tables.

There is an increase compared to previous years due to the greater presencial activity in the office.

### 4.5.5. Biodiversity Conservation

#### 3-3 Biodiversity Management Approach/3-3 EUSS Biodiversity Management Approach

The evolution of regulatory frameworks related to biodiversity management reflects international commitments that companies must address. These commitments require reporting of the effects of activities in terms of loss of biodiversity, the degradation of natural capital and reduction of ecosystem services. They are driving a shift towards enhancing biodiversity, in tandem with the elimination of subsidies for actions that are harmful to nature and green financing.

The new Corporate Sustainability Reporting Directive (CSRD), which amends the previous Non-Financial Reporting Directive, incorporates new requirements on the information that companies must provide to communicate their environmental performance to all stakeholders. The development of this Directive is based on the work carried out by EFRAG, the European advisory group on non-financial information, which has standardised a series of criteria and indicators so that companies can integrate their relationship with nature into strategic planning and decision-making. Among the new requirements established by the Directive, in terms of biodiversity, it is worth highlighting the need for companies to know, locate, evaluate and report on their impacts, giving priority to the critical areas where they operate.

#### International Context

The United Nations Convention on Biological Diversity (CBD) highlights the important need for biodiversity conservation to maintain the basic needs of human beings. Biodiversity and natural capital are linked to the development, health and well-being of people and are two basic pillars for the social and economic development of today's society, being a key component of global sustainability.

The latest scientific study, published in 2019 by the Intergovernmental Platform on Biodiversity and Ecosystem Services (IPBES), mentions that the loss of biodiversity and ecosystems is reaching levels of no return, in addition to occurring at an unprecedented pace. It has become clear that human activity is destroying the basis of the global economy, food security, health and quality of life around the world. In this sense, it is estimated that more than half of the world's production depends on nature and therefore, concern for nature is of the same magnitude as concern for the climate.

Given this fact, the international response has materialized in the 15th Conference of the Parties (COP15) to the United Nations Convention on Biological Diversity, which, under the Chinese presidency, was held in Montreal (Canada) in December 2022. The summit concluded with the adoption of the post-2020 Global Biodiversity Framework, which, together with the Paris Agreement, paves the way for a climate-neutral, nature-positive and resilient world by 2050.

## Post-2020 Global Biodiversity Framework Kunming-Montreal

The new global framework, which reflects over two years of intense international discussion, builds on the achievements, experiences and lessons from the Strategic Plan for Biodiversity 2011-2020, which is in line with the 2030 Agenda and its 17 Sustainable Development Goals, which sets out the path to reverse the loss of nature by 2030 and achieve a positive effect on nature by 2030, with the goal of 'living in harmony with nature by 2050'. To achieve this, it defines 4 objectives and establishes 23 goals.

Here are some of the most significant targets:

- Protection of 30% of the planet by 2030, the so-called 30x30 goal, to ensure that at least 30% of the planet's surface, both terrestrial and marine, is under an effective system of protection, conservation and management that preserves biodiversity.
- Resources for biodiversity. By 2030, at least \$200 billion a year of public and private funds will be mobilised to enable developing countries to preserve nature.
- By 2030, governments commit to reducing the negative impact of pollution to levels that are not harmful to biodiversity and ecosystem function.
- Likewise, they commit to minimising the impact of climate change on biodiversity and promoting adaptation, mitigation and reduction of disaster risks through nature-based solutions.
- The full integration of biodiversity into sectoral policies, especially in sectors with the greatest impact on biodiversity such as agriculture, fisheries, forest management and aquaculture, is another highlight of the agreement.
- Foster the adoption of legal, administrative and policy measures to encourage and enable business activity and, in particular, to ensure that companies and financial institutions monitor, assess and disclose their risks, dependencies and impacts on biodiversity, including through requirements for their value chains. In this way, it seeks to increase positive impacts and promote sustainable protection actions.

It should be noted that the aforementioned Global Framework includes the main content of the proposal submitted by the EU, in turn included in its 2030 Biodiversity Strategy, which aims to place biodiversity in Europe on the path to recovery. This represents progress in that the agreed Global Framework as a whole must be integrated into the national legislation of all the Parties to the Convention, which will imply the development of new objectives, strategies and national plans in the coming years.

## Taskforce on Nature-related Financial Disclosures (TNFD)

With the aim of contributing to the global challenge of improving biodiversity and helping companies to include nature in their non-financial information, in September 2023 the Taskforce on Nature-related Financial Disclosures (TNFD)<sup>38</sup>, a working group tasked with standardising information processes and actions in response to nature-related risks, published its disclosures framework. The ultimate goal of this initiative is to support a change in global financial flows, in such a way that it has a positive impact on nature, in line with the CDB's Global Biodiversity Framework, the ambitious and much needed aims of which seek to ensure that there is no net loss of biodiversity in new projects by 2030 and that net gains are made by 2050.

In this regard, on September 18<sup>th</sup> 2023, coinciding with the start of Climate Week NYC, the Working Group on Nature-related Financial Disclosures (TNFD) published the final version of its recommendations to guide companies in disclosing their impacts and dependencies with respect

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<sup>38</sup> <https://tnfd.global/>

to nature. This makes nature a central and strategic risk management issue for the company, as the climate already is. In fact, the TNFD's recommendations are based on the renowned Task Force on Climate-related Financial Disclosures (TCFD), which focuses on climate-related risks.

The TNFD works in two main areas: Determine and assess impacts, dependencies, risks and opportunities related to nature, and inform and complement companies' financial statements. To achieve this, the TNFD is aligned with the main materiality analysis approaches and with the most important reporting systems, such as the GRI (Global Reporting Initiative), SASB (Sustainability Accounting Standards Board), CDSB (Climate Disclosure Standards Board) and ESRS (European Sustainability Reporting Standards).

The TNFD's recommendations are structured around four pillars: governance, strategy, risk management and impact assessment, and metrics and objectives. These largely match the TCFD guidelines and International Sustainability Standards (ISSB). A first summary approach to the four pillars mentioned in terms of disclosure that companies must carry out is:

- The organisation must report its governance, and the dependencies, impacts, risks and opportunities that nature presents to its business model.
- The organization's strategy and financial planning should be explained when such information is material.
- The process used by the organization to identify, assess, prioritize, and monitor nature-related dependencies, impacts, risks, and opportunities should be described.
- The metrics and targets used should be disclosed.

### **Biodiversity at Endesa**

Endesa considers the protection and conservation of biodiversity, natural capital and the services it provides to society (ecosystem services) as a priority aspect in the development of its business strategy, is fully aware of the risks involved in its loss and orients its activity towards the non-net loss of biodiversity by applying the mitigation hierarchy. In this regard, it should be noted that the protection of biodiversity was already included in its first environmental policy approved and published in 1998.

To implement this commitment, since its inception, Endesa has been developing numerous voluntary projects to conserve and improve nature in the surroundings of its facilities. These projects are included in **Endesa's Biodiversity Conservation Plan (PCBE)**.

In order to expand its commitment in this area, in 2023 the company has achieved two important milestones:

- Endesa's first **Biodiversity Policy was approved by the Board of Directors in 2020. This has now been updated**, bringing it into line with the Global Biodiversity Framework agreed at COP15. In this way, the company has reinforced the integration of biodiversity protection into its governance and renewed its commitment to mitigating potential impacts on biodiversity and ecosystem services throughout the life cycle of its activities.
- The responsibilities of **Endesa's Biodiversity Committee**, created in 2020, which acts as the corporate body responsible for translating the objectives of the policy into the company's strategy and decision-making, have been updated. This Committee meets bimonthly and includes representatives from all the company's business lines. In these sessions, the members review the status of the ongoing projects of the Biodiversity Conservation Plan, present the results of projects and actions carried out, and propose and evaluate new project proposals. Additionally, current developments in regulation, agreements and standards in relation to biodiversity, natural capital and ecosystem services affecting the company are presented and analysed.



At the strategic level, and in order to further analyse the Company's impacts, dependencies, risks and opportunities in the short, medium and long term, in 2019 Endesa began working in the **Natural Capital and Energy Working Group**<sup>39</sup>. This forum operates within the framework of the Sector Groups of the Natural Capital Factory (which is the Spanish hub of the Capitals Coalition). As a result of this work, in 2022 it published the guide "Natural Capital and the Spanish Energy Sector"<sup>40</sup>. This guide is a sectoral document that describes the nexus between natural capital and energy, a methodology for assessing the impacts and dependencies of the activities and sub-activities of companies in the sector and includes a qualitative matrix, at a sectoral scale and by technology, of the impacts (negative and positive) and dependencies of the natural capital of the Spanish energy industry. This information can be consulted at the following link: <https://capital-natural.es/>.

In continuation of this, work is being done in 2023-2024 to revise and update this matrix of impacts and dependencies to integrate the recommendations of the TNFD published on 18<sup>th</sup> September, and to prepare an interoperability framework integrating the analysis and evaluation methodologies and the main corporate reporting requirements in this area.

Continuing the work carried out in the area of natural capital, Endesa completed the "#NATIVE" project in 2023, which consists of developing a methodology for analysing and evaluating the baseline and quantifying the impacts and dependencies on natural capital of renewable technologies and the distribution business in the construction and operation phases of Endesa's infrastructure (in the case of hydroelectric power, only in the operation phase). In addition, measures are sought to improve and offset these impacts/dependencies by technology based on the principle of a mitigation hierarchy with the ultimate objective of avoiding net biodiversity loss, as established in Endesa's biodiversity policy. The results obtained are serving as a basis for the company to align itself with the recommendations proposed by the TNFD and define, through its #VIBE project, a 360° strategy on biodiversity that allows it to be included in governance, define objectives and monitor its impacts/dependencies on nature, in order to manage its risks and opportunities as it already does with climate change.

Endesa is aware of the important role played by the development of renewable energies in the decarbonisation of the economy and the ecological transition. Such development implies significant changes in land use and nature conservation that can ultimately undermine ecosystem services and biodiversity and thus the ability to combat the negative effects of climate change. Endesa is therefore working on creating a corporate strategy to better identify, manage and offset the current and future impacts of renewable energy and electricity distribution infrastructure. The ultimate goal is to ensure that Endesa's activities do not cause significant harm to nature and can generate a positive impact. In this regard, in 2022 Endesa reinforced its commitment to biodiversity, a commitment that has been included in the biodiversity<sup>41</sup> policy approved by the Board of Directors in 2023, thus orienting all its activity towards compliance with the following principles:

- No net loss of biodiversity in new projects from 2030. Start implementing selected projects of high importance for biodiversity from 2025. Applying the Mitigation Hierarchy principles.
- No net deforestation. Committing to protect forests and reforest an equivalent area when deforestation cannot be avoided. Since 2016, Endesa has been voluntarily developing the "**Endesa Forest**" initiative, in which more than 50,000 trees have been planted, reforesting around 101 hectares of burnt and degraded land, which will capture over 10,400 t of CO<sub>2</sub>. This is in addition to the more than 3,400 hectares reforested and more than 1.5 million trees planted in restorations throughout Iberia.

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<sup>39</sup> <https://naturalcapitalfactory.es/en/sector-groups/>

<sup>40</sup> <https://www.youtube.com/watch?v=6r8o4PFj6Oo>

<sup>41</sup> [https://www.endesa.com/content/dam/enel-es/endesa-en/home/investors/corporategovernance/corporatepolicies/documents/Politica-Biodiversidad-ENDESA\\_08\\_05\\_2023\\_EN.pdf](https://www.endesa.com/content/dam/enel-es/endesa-en/home/investors/corporategovernance/corporatepolicies/documents/Politica-Biodiversidad-ENDESA_08_05_2023_EN.pdf)

In addition, Endesa commits not to develop new projects in areas declared World Natural Heritage by UNESCO. This is in addition to the commitment not to operate thermal generation installations in protected natural areas on the Spanish mainland and not to design or develop new thermal generation installations in protected natural areas in non-mainland territories.

#### 4.5.5.1. Biodiversity Conservation Plan

Endesa's Biodiversity Conservation Plan (PCBE) is the instrument under which all projects and actions within the scope of biodiversity developed by the company are executed. All these actions included in the PCBE are carried out on a completely voluntary basis and seek to go beyond the mandatory environmental requirements.

The main lines of action of the Plan are:

- Restoring the physical environment on the land and at our facilities to increase their capacity for hosting biodiversity.
- The management of factors of the natural environment in the surroundings of the facilities, which contribute to improving the habitats of certain species.
- Recognising natural capital and the ecosystems it is home to, and its value and state of conservation.
- The preservation, in Endesa's facilities and their surroundings, of native species and the control of invasive species.

At the end of 2023, Endesa's Biodiversity Conservation Plan involved **39** operational activities to protect species and natural habitats. Among the projects and actions included in this Conservation Plan are:

#### PROJECTS AND ACTIONS IN THE BIODIVERSITY CONSERVATION PLAN

Typology	Description
<b>Studies and Research</b>	<ul style="list-style-type: none"> <li>➤ <b>Environmental impact assessment</b> of photovoltaic solar facilities in the project planning, construction and operation processes with a focus on biodiversity at the relevant sites.</li> <li>➤ <b>Study of the functions of Endesa's reservoirs as wetlands of environmental and natural importance.</b></li> <li>➤ <b>Biodiversity study project of streets under power lines.</b> Research project on the ecological assets generated in streets created under power lines and their surroundings, which are ecological corridors of great value. Assessment of habitats and species, plant water stress, diseases, land use, erosion, etc.</li> <li>➤ <b>Improvement of biodiversity through adaptation of anti-climbing structures on medium-voltage power lines in the Sierra de Aracena and Picos de Aroche Natural Park in Huelva.</b> Adaptation of anti-climbing structures as a shelter for bats and nocturnal birds of prey. Study and monitoring of the habitat generated in these structures adapted as shelters.</li> </ul>
<b>Birdlife actions</b>	<ul style="list-style-type: none"> <li>➤ <b>Red kite conservation measures through participation in the Life Eurokite project.</b> Use of telemetry technology to identify spatial habitat use of target species and quantify key causes of mortality for raptor species in the European Union.</li> <li>➤ <b>Eagle owl conservation project.</b> Marking and monitoring of this species, its interaction with Endesa infrastructure and possible causes of mortality.</li> <li>➤ <b>Project for the recovery of lesser kestrel populations</b> in Aragon and Andalusia, with recovery of the species and reintroduction of individuals through the colony method in an open aviary structure.</li> <li>➤ <b>Life Project to tag and monitor black vultures</b> in the International Tagus Natural Park, on the border between Spain and Portugal.</li> <li>➤ <b>European roller conservation project.</b> Monitoring and analysis of population reproduction in the natural parks of the Aiguamolls del Empordà (PNAE) and Montgri, the Medes Islands and the Baix Ter (PNMMBT).</li> <li>➤ <b>PAS Project.</b> Project for the conservation of large birds of prey and necrophagous birds in the Pyrenees with the creation and conservation of supplementary feeding points to accommodate the growing population of black vultures and large birds of prey in the Pyrenees area.</li> <li>➤ <b>Study of the behaviour and adaptation of the Little Bustard</b> in the region of Campillos (Málaga).</li> </ul>

	<ul style="list-style-type: none"> <li>➤ <b>Project for the protection and conservation of the Capercaillie in the Pyrenees.</b> Protection and conservation of the species in the area with actions involving areas, habitats and infrastructure.</li> <li>➤ <b>Conservation of steppe birds (little bustard and great bustard)</b> in the region of La Serena, Badajoz, specifically the Sison and the Bustard.</li> <li>➤ <b>Recovery project for the osprey population in the provinces of Cadiz and Huelva.</b> Project for the conservation of the reintroduced population with reinforcement of nest-building activities in the province of Huelva, use of transmitters to evaluate causes of mortality and population tracking.</li> <li>➤ <b>Marking and monitoring of Montagu's Harrier.</b> Project for the conservation of the Montagu's Harrier population at Endesa's solar installations.</li> <li>➤ <b>Management of carrion dumps in El Espinar.</b> Project for the management of carrion dumps for the conservation and protection of carrion-eating birds and large birds of prey in El Espinar in Castilla y León.</li> </ul>
<p><b>Projects with a socio-environmental component</b></p>	<ul style="list-style-type: none"> <li>➤ <b>"Endesa Forest" initiatives. Doñana in Andalusia, Atalaya in Madrid, Aliaga, Ejulve and La Zoma in Teruel, Sa-Duaia in the Balearic Islands, Pyrenees in Catalonia and Ceuta.</b> Forest restoration projects in degraded or burned areas in Spain, through the use of native forest species. The intention is to restore habitats that have been devastated by fires or that are tending to disappear due to neglect. A threefold benefit is pursued: environmental (fight against climate change, habitat restoration, improvement of the water cycle, etc.); social (priority in recruitment, both for the initial work and for maintenance, of workers from the rural environment of the project and at risk of exclusion); and economic (restoring natural environments on which the local population depends helps revitalise the local economy).</li> <li>➤ <b>Study of the state of the forest and placement of high-quality protectors in the Endesa Doñana Forest.</b> The condition of the forest stand planted on 40 hectares in the park in 2019, which was monitored and replanted before 2022, was surveyed. It was found that younger trees are subject to increased predation by herbivorous animals in the area due to the extreme drought and heat of recent years. Endesa is therefore reinforcing its investment in the project with the installation of approximately 1,400 high-quality forest plant protectors (metal mesh), most of which are of the "cactus" type, which will enable them to be reused.</li> <li>➤ <b>Improvement of Biodiversity in Solar Installations.</b> Installation of green screens, landscape improvement and integration, restoration of small ponds, integration of feeding points, agri-environmental measures for the conservation of steppe birds, etc.</li> </ul>
<p><b>Projects for the protection of species and habitats</b></p>	<ul style="list-style-type: none"> <li>➤ <b>ENDESABATS Project.</b> Project running since 2013 for the study and conservation of bats at the company's hydro facilities. Hydraulic caverns are large reservoirs of colonies of bats of various species, including endangered species.</li> <li>➤ <b>Project for the protection of the brown bear in the Pyrenees.</b> Project for the protection and conservation of the species in the Pyrenees, where the company shares spaces and infrastructure with it. Endesa's own employees are directly involved and active agents in the conservation of this animal, which is in danger of extinction in the area.</li> <li>➤ <b>Mediterranean Tortoise Reintroduction Project.</b> Conservation, reintroduction and protection of this critically endangered species, with the creation of a stable colony in "Les Garrigues" to increase the number of individuals that can establish themselves and consolidate the species in the area.</li> <li>➤ <b>Phototrapping of mammals in wind farms.</b> Study of the suitability of habitats and the presence of mammals in renewable energy installations at Endesa's wind farms.</li> <li>➤ <b>Environmental improvements in solar installations.</b> Environmental improvement project, providing drinking places, installation of nests and adaptations of habitats in Endesa's solar installations.</li> </ul>

All biodiversity actions and projects are carried out in collaboration with conservation entities, NGOs, local communities, recovery centres, research centres, local governments, universities and experts, in order to conserve and protect biodiversity, ensuring the participation of relevant stakeholders. All projects included habitat restoration activities. The "Endesa Forestry Initiative" has resulted in 101 ha being restored and reforested, and more than 50,029 trees planted, with 10,400 tCO<sub>2</sub> being absorbed.

### Exposure and assessment of biodiversity

Endesa has developed a project to assess the potential impacts on biodiversity of its assets, which has KPIs specifically defined to measure this impact. This will make it possible to establish concrete actions to move towards the non-net loss of biodiversity.

The following table shows the periodic evaluations of the areas occupied by the operational activities carried out by Endesa and the implementation of biodiversity management plans to protect and restore habitats.

#### INSTALLATIONS AND AREAS OCCUPIED BY ENDESA'S OPERATIONAL ACTIVITIES<sup>1</sup>

	Number of installations	Area (ha)
Number of sites and total area occupied by operational activities	332	7,969.92
<b>Evaluation</b>		
Sites where biodiversity impact assessments have been carried out in the last five years	332	7,969.92
<b>Exposure</b>		
Sites with a biodiversity impact assessment very close to critical status and the total surface area of these sites <sup>2</sup>	72	1,348.72
<b>Management Plans</b>		
Sites with a biodiversity impact assessment and located very close to critical areas that have a biodiversity management plan and the total surface area of these sites	72	1,348.72

<sup>1</sup>The figures included above take into account all Endesa's electricity generation installations; the distribution network and substations were not taken into account. The area of reservoirs that are more than 10 years old has been excluded from the calculation. The data were obtained through Endesa's Biodiversity Indicators System.

<sup>2</sup>Considered a distance to RN2000 equal to or less than 1 Km.

#### 4.5.5.2. Participations Related to the Dissemination and Promotion of the Protection of Biodiversity

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Among the actions carried out throughout 2023, it is worth highlighting the renewal and signing of the current Biodiversity Pact between Endesa and the Spanish Business and Biodiversity Initiative (IEEB). The Spanish Business and Biodiversity Initiative, a platform for public-private collaboration on biodiversity promoted by the Ministry of Ecological Transition and the Demographic Challenge (MITERD) through the Biodiversity Foundation, to which Endesa has belonged since 2013, began a new stage in 2023. This involved a new membership model marked by redefinition of the Biodiversity and Natural Capital Pact, which Endesa signed in 2015. The new Pact increases the level of commitment and is open to large, medium and small companies. It seeks to publicly endorse the objectives of the post-2020 Global Biodiversity Framework (COP15) approved in December 2022, with measurable commitments tailored to the progress and goals of the new framework.

Also this year, Endesa, as an award-winning entity in the XXVI edition of the Andalusian Environment Awards in the Conservation, Biodiversity and Development category, received the aforementioned Award in Ronda on 16 February 2023, which recognises the company's work in the conservation of biodiversity in the territories and environments where it operates. This event was hosted by the President of the Regional Government of Andalusia, who praised Endesa's work as an "example for society" fostering actions and initiatives to conserve the environment.

Endesa also continues to disseminate information and participate in different working groups on the subject, including the following activities carried out during 2023:

#### OUTSTANDING ACTIVITIES

Classification	Description
Publications, training and dissemination events	<ul style="list-style-type: none"> <li>➤ Participation of Endesa and the Regional Government of Extremadura in the release of red kites in Valencia de Mombuey, in Badajoz province, for the "Life Eurokite" project with the AMUS Association.</li> <li>➤ Media presentation of the second phase of the "Bosque Endesa Oso Pardo" (Endesa Forest Brown Bear) project. On 18 May 2023, Endesa, together with the Brown Bear Foundation, presented to the media the completion of the project, coinciding with the last planned planting in the municipality of Lladorre, Lleida, of 1,200 of the 7,000 new fruit trees in the Catalan Pyrenees to contribute to the conservation of the brown bear. This action is part of the 'Increased biodiversity in areas populated by bears' programme developed by the Brown Bear Foundation (FOP in Spanish) with the</li> </ul>

## OUTSTANDING ACTIVITIES

Classification	Description
	<p>collaboration of Endesa through its Biodiversity Conservation Plan. This programme was launched in 2016 to develop a network of spaces to facilitate the movement and spread of this species throughout the Catalan Pyrenees. Beyond the obvious benefit in terms of natural capital and the recovery of biodiversity, it is estimated that trees planted through reforestation will absorb a total of 1,665 tonnes of CO<sub>2</sub> over the next 30 years.</p> <ul style="list-style-type: none"> <li>➤ <b>Endesa's headquarters in Madrid hosted the first "Working breakfast of the Natural Capital Working Group: Impact Indicators and Partnerships in Natural Capital"</b> on 24 March 2023. The event brought together leading representatives of the Spanish business sector, through the Grupo Español de Crecimiento Verde (Spanish Green Growth Group), and the management of the Biodiversity Foundation (MITERD). The latter presented the new stage of the Spanish Business and Biodiversity Initiative and its requirements adapted to the new goals set in the post-2020 biodiversity framework of the Convention on Biological Diversity (CBD). At the breakfast, the main lines of action of the working group were detailed and the main concerns of the business sector about the challenge of integrating natural resources and biodiversity in the management and governance of their companies were conveyed to the administration.</li> <li>➤ <b>"The legacy we shall become"</b>. The "Endesa Forest" initiative, and more specifically the Endesa Teruel Forest project, has been included among the projects that are part of the energy transition plan that is being developed in the area of Andorra (Teruel) where Endesa, beyond the corresponding technological substitution <b>"from coal to renewable energies"</b>, includes various environmental, economic and social actions. In this sense, the Endesa Teruel Forest involves forest restoration with native species from areas burned in the past with the intention of recovering natural capital and ecosystem services.</li> <li>➤ On 10 May 2023, Endesa invited a group of digital content creators specialising in sustainability to visit and learn in depth about the "Endesa Teruel Forest" project, the work methodology, its characteristics, objectives and possible consequences in the rural environment in order to echo the initiative and encourage other companies to implement projects of this type. More information at the following link: <a href="https://www.endesa.com/es/la-cara-e/transicion-ecologica/sector-primario-nueva-opportunidad-andorra">https://www.endesa.com/es/la-cara-e/transicion-ecologica/sector-primario-nueva-opportunidad-andorra</a></li> <li>➤ <b>Presentation of Endesa's Biodiversity Conservation Plan (PCBE) to the Autonomous Police of Andalusia in Huelva.</b> On 15 June 2023, a training day was held with the Regional Police of the eight provinces of Andalusia. The training was attended by officers of this police force and prominent members of the Regional Government of Andalusia. Endesa executives and technical staff took part in the event to explain the actions and projects for the conservation and protection of biodiversity, preventive measures to protect power lines from fires, the environmental consequences of fraud, etc. The presentation of Endesa's PCBE explained the origin of the plan, its scope of action and the projects undertaken so far. The opportunity was taken to highlight both the European award obtained by the reservoir ecosystem services project and the recent Andalusian Environment Award.</li> </ul>
<p><b>Other initiatives</b></p>	<ul style="list-style-type: none"> <li>➤ <b>Working Group on Natural Capital and Biodiversity (Spanish Green Growth Group)</b>, which pursues the integration of natural capital and biodiversity in the activities and decision-making processes of Spanish companies, in addition to establishing a meeting point between the National Administration and the Spanish business sector to this end.</li> <li>➤ <b>Biodiversity Standardization Committee. UNE.CTN 328.</b> UNE, as the Spanish standardisation organisation recognised by the Ministry of Industry and the Spanish representative at international standardisation bodies, has continued working in this Technical Committee, which serves a dual purpose: The establishment of a new area of standardisation in ISO with the new ISO/TC 331 biodiversity and the increasingly important presence of biodiversity in European standardisation forums. The CTN was created to allow the representation of the vision and interests of Spanish entities in international and European standardization work in this area and to accommodate international initiatives that may arise.</li> <li>➤ <b>The Nature Business Ambition (NBA) initiative, launched</b> by Forética in Spain, which Endesa joined in 2023. This partnership of leading companies at the national level has a threefold objective: to drive ambition, promote action and build the necessary alliances to contribute to the recovery of nature, with the global goal of achieving a "Nature-Positive" planet by 2030. On 14 November 2023, a working meeting on natural capital was held at Endesa's headquarters under the title "Measuring impacts and dependencies, sectoral and corporate success stories". The focus was on measuring and valuing nature, addressing the methodological approach that the Spanish energy sector is working on to quantify its impacts and dependencies.</li> </ul>

### 4.5.5.3. Environmental Restoration

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Endesa's activity has always been linked to environmental restoration. In 2022, Endesa set a target of no net deforestation by 2030, starting its implementation in selected projects of high importance for biodiversity from 2025, an objective that has been ratified in 2023 with its inclusion in the biodiversity policy.

To this end, Endesa goes one step further, adding this objective to the Endesa Forest initiative, a pioneering programme in the national energy sector that emerged in 2016 which contributes to recovering lost ecosystems. The initiative consists of forest restoration of degraded land that has been burned at the national level through planting and seeding techniques of native forest species, as they are best adapted to the environment (forests are capable of absorbing and storing greenhouse gases in the atmosphere and are also a niche of biodiversity).

At present, Endesa has several ongoing projects from the initiative, three of them registered in the carbon dioxide (CO<sub>2</sub>) sinks section of the Spanish Registry of carbon footprint, offsetting and CO<sub>2</sub> removal of the Spanish Climate Change Office (OECC) under the Ministry for Ecological Transition and Demographic Challenge. These projects are: Endesa La Atalaya Forest (Sierra de Madrid), Endesa Doñana Forest (Doñana Natural Park, Huelva) and Endesa Teruel Forest (in the surroundings of the former Andorra thermal power plant, Aragon). The rest of the initiative's projects are in the execution and registration phase in the aforementioned registry. These are the Bosque Endesa Baleares and Bosque Endesa Pirineos (Catalonia). In addition, the Endesa Ceuta Forest project is in the design phase.

According to the calculation of the absorption of CO<sub>2</sub> by the Endesa Forest initiative for the credits offered by the Climate Change Office, it will absorb 10,400 tCO<sub>2</sub>eq.

The exemplary nature of the sustainability initiative is also worth particular mention, as beyond its positive environmental impacts, it is capable of generating a positive impact on economic and social factors, such as:

- Environmentally: it contributes to generating a positive environmental impact by promoting adaptation to climate change, promoting the recovery of biodiversity, developing natural capital and ecosystem services, combating desertification, protecting the water cycle, and curbing soil degradation in the face of runoff, among others.
- Economically: by restoring woodland, natural capital and the associated ecosystem services in which populations in the surrounding area of the project often live (nature tourism, picking fruit, wild mushrooms, hunting, etc.). Therefore, it helps to invigorate the nearby rural environment.
- Socially: when hiring personnel to carry out forest restoration and maintenance work, priority is given to unemployed people, young people, women, people over 45 years of age or people at risk of social exclusion in the project environment. It also has great potential as a tool to develop environmental awareness, training, dissemination and volunteering activities.

Below is a summary of Endesa's environmental restoration actions active in 2023:

<b>Habitat Area (Ha)</b>	101
<b>Work being done to improve the biodiversity of the offset habitat</b>	Recovery of native wildlife and flora and their habitats after a fire, degradation or mining operations in Endesa's area of activity.
<b>Main conserved/protected species</b>	<i>Pinus pinea/Pinus halepensis/Pinus nigra/Quercus suber/Quercus ilex/Quercus faginea/Sorbus aria/Acer monspessulanum/Crataegus monogyna/Amelanchier ovalis/Prunus spinosa/Olea oleaster/Arbutus unedo/Myrtus comunis/Pyrus bourgeana/Fraxinus angustifolia/Malus sylvestris/Prunus spp/Sorbus spp./Phillyrea angustifolia.</i>

<b>Habitat Description</b>	Forest/Wooded pasture/Steppe/Sub-steppe.
<b>Comparison of the biodiversity of the original habitat prior to the company's activities with the biodiversity of the offset habitat</b>	Most of them are forest restorations of burned and/or degraded land in the national territory, through the use of native species, the choice of which takes into account the changes in environmental and climatic parameters in the area where the project is located. In the cases associated with the restoration of spaces related to past mining operations (eco-restoration), this does not necessarily have to involve forestry, provided it serves the goal of fully reintegrating the restored land with its immediate surroundings.
<b>Biodiversity monitoring and reporting period at offset sites</b>	Between 30 and 40.

#### 4.5.5.4. Impacts Caused by Activities or Operations in Protected Areas

##### 304-1/304-2/EU13/304-4

As a process included in the environmental management systems implemented in Endesa's business lines, and in accordance with the provisions of the environmental authorisations and environmental monitoring plans applicable in each case, Endesa monitors all significant environmental aspects and ensures that in each case its environmental impact is minimised and compensated. This includes, with special focus, those facilities that are located within a protected natural area.

Additionally, as a measure of the impact of the mere presence of Endesa facilities in protected natural areas, the area occupied by the company's centres and infrastructure within spaces belonging to the Natura 2000 Network (ZEC, LIC and ZEPA amounts to 116.06 km<sup>2</sup> in total.

THERMAL GENERATION	SURFACE (km <sup>2</sup> )
Area (km <sup>2</sup> ) occupied by installations in Natura 2000 Network areas	0.03

RENEWABLE GENERATION <sup>1</sup>	
Area (km <sup>2</sup> ) occupied by facilities in Natura 2000 Network spaces (hydroelectric generation)	115.3
Area (km <sup>2</sup> ) occupied by facilities in Natura 2000 Network spaces (wind generation)	0.73
Area (km <sup>2</sup> ) occupied by installations in Natura 2000 Network areas (solar generation)	0
Area (km <sup>2</sup> ) occupied by installations in Natura 2000 Network areas (biomass generation)	0

<sup>1</sup>The surface of the water sheet stored within RN 2000 Protected Natural Areas is included. Some of these spaces occupied by reservoirs have given rise to Protected Natural Areas such as Ramsar or RN 2000 spaces such as the Cordobilla, Malpasillo, Orellana and Puerto Peña reservoirs.

Below is a breakdown of the total number of species that appear on the International Union for Conservation of Nature (IUCN) Red List and on national conservation lists whose habitats are in areas affected by Endesa's operations, by level of extinction risk:

IUCN CLASSIFICATION <sup>1</sup>	Nº OF SPECIES
Critically endangered	25
Endangered	99
Vulnerable	87
Near threatened	182
Least concern	817

<sup>1</sup>Data from Endesa's biodiversity indicator system for 2022.

As reflected in its Biodiversity Policy, Endesa is firmly committed to not operating thermal generation facilities in protected natural areas on the Spanish mainland and to not designing or developing new thermal generation facilities in protected natural areas in non-mainland territories.

It has also committed not to develop new projects in areas designated as Natural World Heritage sites by UNESCO.









## **4.6. PEOPLE**

**4.6.1. EMPOWERING OUR PEOPLE.**











**4.6.2. ENGAGEMENT TO LOCAL AND GLOBAL COMMUNITIES.**

**4.6.3. FOSTERING A SUSTAINABLE SUPPLY CHAIN.**












#### 4.6.1. Empowering Our People

Material Topics	Plan	SDGs
People management, diversity, and inclusion		    

The targets of the Sustainability Plan (ESP) 2024-2026 and the closure of these indicators are shown below.

SDGs	Activities	Units	2022	2023	ESP Objectives 2024-2026	
					2024	2026
	Increase the presence of women	% of women in the workforce	26.3	26.8	27	28
		Increase the presence of women in positions of responsibility	% of female managers and middle managers (CGI+NCO)	34.1	34.9	35
% of female managers <sup>1</sup>			18.9	21.1	21.5	22
% of female middle managers (CGI+NCO)			34.9	35.7	36	36.5
% of female middle managers (CGI)			31.5	33.3	34	34.5
	Increase the presence of women	% of women in management positions with revenue-generating functions	27.5	27.6	28	28.5
	Promotion of gender diversity in selection processes	% of women	51.4	52.5	50	50
	Promoting gender diversity in hiring	Women as % of total hires	38.2	37.2	37.2	37.5
	Career guidance in STEM areas for women	No. of women	1,702	1,702	>5,000 in the 2024-2026 period	
	Presence of women in STEM positions	% of women	19.2	20.6	21	21.5
	Specific campaigns to mainstream disability	No. of campaigns	3	3	3 per year in the 2024-2026 period	
	Promoting multiculturalism	No. of initiatives		N/A	1 per year in the 2024-2026 period <sup>⊕</sup>	
	Raising awareness on LGBTIQ+ issues	No. of actions	N/A	3	3 per year in the 2024-2026 period	

Diversidad e inclusión

SDGs	Activities	Units	2022	2023	ESP Objectives 2024-2026	
					2024	2026
	Promotion of employee training	Hours/employee	45.7	51.8	>45	>45
	Knowledge transfer (Number of persons)	No. of participants in mentoring and shadowing programs	-	N/A	220	240
		No. of in-house trainers	-	134	>130	>130
	Promotion of training in upskilling/reskilling	% hours out of total training hours	-	54.7	47	48
	Diversity in the Succession Plan of Managers	% of women among people involved	43.65	44.3	44.3	44.5
	Promote the level of employee involvement and satisfaction (Engagement) <sup>2</sup>	% employees	A: 100 P: 71 S: 83	A: 100 P: 71 S: 83	Scope: 100	Scope: 100
			Participation: 75 Satisfaction: 83	Participation: 75 Satisfaction: 85		
	Performance assessment	% Employees	A: 100 P: 99	A: 100 P: 99	Scope <sup>3</sup> : 100	Scope <sup>3</sup> : 100
			Participation: 99	Participation: 99		
	Improvement of work areas in offices	No. of employees benefited	637	1,019	700 in the 2024-2026 period	
	Promotion of services that promote work-life balance for employees <sup>4</sup>	No. of services	68	52	55	57
	Crisis Management – Drill Plan	No. of annual drills	2	1	1 during 2024-2026 period	
	Security awareness	No. of actions	45	38	40	42
	Corporate programme volunteer	No. of volunteers involved	-	1,420	1,500 volunteers per year during 2024-2026 period	

Formación y desarrollo

Satisfacción y desempeño

Conciliación

Seguridad de las personas

Voluntariado

<sup>1</sup> Manager: TOP 200 + managerial level + Local managers

<sup>2</sup> Biennial Survey, 2023 Results of 2022 Survey

<sup>3</sup> Eligible and accessible persons who have worked in the Group for at least 3 months

<sup>4</sup> The figure refers to the total number of services offered at all Endesa's 7 branches. The objective has been redefined by adjusting the services to the new work model.

## Objectives



New



Redefined Goal

## Actions to highlight

1. In 2023, the Talent Engagement Programme was implemented, aimed at high-potential young people with the objective of creating and developing their leadership.
2. During 2023, more than 160 young graduates have joined the Endesa Scholarship Programme.
3. In 2023, a detailed study was carried out on employee salaries to find out the data on the pay gap at Endesa.
4. In 2023, a boost was given to the creation and consolidation of communities according to employee stakeholders. The women's community, the inclusion community (for people with disabilities) and the LGBTIQ+ community stand out.
5. 2023 was the first year in which the results of Total Rewarding as a whole were launched and reported.

The scope of the information provided in this chapter covers both Endesa, S.A. and its investee companies in Spain and Portugal, the same as in the reports in the Legal Documentation. In addition, employees of investee companies in France, the Netherlands and Germany are included. The following percentages of the company's participation has been consolidated for the quantitative information reported by the companies SALIME and ANAV: 50% for SALIME and 85% for ANAV.

Variations, if any, to the scope described here are presented throughout the chapter. For further information, see sections 2.1.2.6. *Organisational Structure* and 2. *Report Coverage (ANNEX I: Methodology for Preparing the Report)*

### 4.6.1.1. Workforce

#### 2-7

Endesa had 9,035 employees at December 31, 2023, of which 9,002 in Spain and 33 in Portugal.

#### HEADCOUNT AS OF DECEMBER 31

	2021	2022	2023
Spain	9,242	9,238	9,002
Portugal	16	20	33
<b>Total</b>	<b>9,258</b>	<b>9,258</b>	<b>9,035</b>

#### WORKFORCE BY GENDER

	Men			Women		
	2021	2022	2023	2021	2022	2023
Total	6,894	6,820	6,618	2,364	2,438	2,417

%	74.5	73.7	73.2	25.5	26.3	26.8
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#### AVERAGE WORKFORCE BY GENDER

	2021	2022	2023	% variation 2023 vs 2022
Men	6,964	6,776	6,690	-1.2%
Women	2,307	2,367	2,407	1.7%
<b>Total</b>	<b>9,271</b>	<b>9,143</b>	<b>9,097</b>	<b>0.5%</b>

The segmentation of the workforce by age shows that the largest number of employees, 58.6%, are in the 30-50 age range. The average age of the workforce is 46.9 years.

#### WORKFORCE BY AGE

	2021	2022	2023
<30	506	569	496
30-50	5,565	5,505	5,294
>50	3,187	3,184	3,245
<b>Total</b>	<b>9,258</b>	<b>9,258</b>	<b>9,035</b>

#### WORKFORCE BY AGE AND PROFESSIONAL CATEGORY AT THE END OF THE YEAR

	<30	30-50	>50
Managers	0	74	129
Middle Managers	198	2,482	1,090
Administration and Management	261	2,060	1,627
Operators	37	678	399
<b>Total</b>	<b>496</b>	<b>5,294</b>	<b>3,245</b>

#### 405-1

The workforce was made up of 73.2% men and 26.8% women. About the composition of the workforce by professional category, 44% corresponded to administration and management personnel, followed by the group of middle managers with 42%, manual workers 12% and managers 2%.

#### DISTRIBUTION OF THE WORKFORCE BY GENDER AND OCCUPATIONAL CLASSIFICATION

	Men			Women		
	2021	2022	2023	2021	2022	2023
Managers	196	169	160	52	40	43
Middle Managers	2,421	2,477	2,425	1,236	1,330	1,345
Administration and Management	3,188	3,066	2,962	1,035	1,016	986
Operators	1,089	1,107	1,071	42	53	43
<b>Total</b>	<b>6,894</b>	<b>6,820</b>	<b>6,619</b>	<b>2,364</b>	<b>2,438</b>	<b>2,416</b>

#### DISTRIBUTION OF THE WORKFORCE AT THE END OF THE YEAR

	Managers	Middle Managers	Administration & Management	Operators	Total
Workforce	203	3,770	3,948	1,114	9,035
Average workforce	206	3,750	3,998	1,143	9,097

## Breakdown of contracts

In 2023, 98.67% of the employment contracts were permanent, with 8,915 contracts. Temporary contracts accounted for 1.33%.

Type of working day: the vast majority of the workforce works full time. The number of employees in full-time employment is 9,030, with 5 in part-time employment.

### DISTRIBUTION OF EMPLOYEES BY TYPE OF CONTRACT AND WORKING HOURS AT THE END OF THE YEAR

	Men	Women
Permanent contract	6,518	2,397
Temporary contract	100	20
Part-time	4	1
Full-time	6,614	2,416

### NUMBER OF EMPLOYEES BY TYPE OF CONTRACT AT THE END OF THE YEAR

	Full-time			Part-time			Total		
	2021	2022	2023	2021	2022	2023	2021	2022	2023
Permanent	9,021	9,038	8,912	1	1	3	9,022	9,039	8,915
Temporary	235	216	118	1	3	2	236	219	120
<b>Total</b>	<b>9,256</b>	<b>9,254</b>	<b>9,030</b>	<b>2</b>	<b>4</b>	<b>5</b>	<b>9,258</b>	<b>9,258</b>	<b>9,035</b>

### NUMBER OF CONTRACTS BY GENDER – AVERAGE WORKFORCE

	Permanent contract						Temporary contract					
	Full-time		Part-time		Total		Full-time		Part-time		Total	
	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023
Woman	2,300	2,364	1	1	2,301	2,365	66	42	0	0	66	42
Man	6,597	6,541	0	1	6,597	6,542	178	145	1	3	179	148
<b>Total</b>	<b>8,897</b>	<b>8,905</b>	<b>1</b>	<b>2</b>	<b>8,898</b>	<b>8,907</b>	<b>244</b>	<b>187</b>	<b>1</b>	<b>3</b>	<b>245</b>	<b>190</b>

### NUMBER OF CONTRACTS BY AGE – AVERAGE WORKFORCE

	Permanent contract						Temporary contract					
	Full-time		Part-time		Total		Full-time		Part-time		Total	
	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023
<30	374	408	0	0	374	408	99	80	0	2	99	82
30-50	5,204	5,109	0	1	5,204	5,110	141	106	1	1	142	107
>50	3,319	3,388	1	1	3,320	3,389	4	1	0	0	4	1
<b>Total</b>	<b>8,897</b>	<b>8,905</b>	<b>1</b>	<b>2</b>	<b>8,898</b>	<b>8,907</b>	<b>244</b>	<b>187</b>	<b>1</b>	<b>3</b>	<b>245</b>	<b>190</b>

### NUMBER OF CONTRACTS BY PROFESSIONAL CATEGORY - AVERAGE WORKFORCE

	Permanent contract						Temporary contract					
	Full-time		Part-time		Total		Full-time		Part-time		Total	
	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023
Management	239	206	0	0	239	206	0	0	0	0	0	0
Middle Management	3,643	3,726	0	0	3,643	3,726	47	22	0	1	47	23
Admin and Management	3,973	3,895	1	1	3,974	3,896	127	102	1	1	128	103
Operators	1,042	1,078	0	1	1,042	1,079	70	63	0	1	70	64

#### NUMBER OF CONTRACTS BY PROFESSIONAL CATEGORY - AVERAGE WORKFORCE

<b>Total</b>	<b>8,897</b>	<b>8,905</b>	<b>1</b>	<b>2</b>	<b>8,898</b>	<b>8,907</b>	<b>244</b>	<b>187</b>	<b>1</b>	<b>3</b>	<b>245</b>	<b>190</b>
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The total number of employees with a fixed-term contract represents only 2.10% of the company's average workforce, indicating a high level of job stability.

#### EU15

#### EMPLOYEES IN SPAIN WITH THE POSSIBILITY OF ACCESS TO RETIREMENT IN THE COMING YEARS BY PROFESSIONAL CATEGORY

	Retirement in the next 5 years		Retirement in the next 10 years	
	2022	2023	2022	2023
Managers	3.0%	2.7%	3.6%	3.8%
Middle Managers	22.6%	20.5%	26.1%	26.6%
Administration Staff	57.3%	60.9%	55.6%	56.1%
Operators	17.2%	15.9%	14.7%	13.5%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

#### 401-1

In 2023, 362 people joined the company.

New hires are an indicator that shows Endesa as a generator of employment. These figures are important because they represent a thermometer for the renewal of the company and its adaptation to new trends. To this end, of the 362 recruits, 25 correspond to employees who had previously completed a work placement in the company.

#### NEW HIRES

	2020	2021	2022	2023
Total new hires	253	678	648	362
Percentage of open positions that were filled by internal candidates	54.8%	63.9%	50.1%	56.0%

#### HIRING BY GENDER AND AGE

	Men		Women		Total	
	2022	2023	2022	2023	2022	2023
<30	179	110	108	36	287	146
30 to 50	246	154	108	52	354	206
> 50 years	5	6	2	4	7	10
<b>Total</b>	<b>430</b>	<b>270</b>	<b>218</b>	<b>92</b>	<b>648</b>	<b>362</b>

During this year, 506 contract terminations have been recorded for the following reasons:

#### CONTRACT TERMINATIONS

	2021	2022	2023
Voluntary departures	54	75	70
Voluntary redundancy with incentive <sup>1</sup>	679	265	161
Retirements	87	58	87
Dismissals	10	11	12
Others <sup>2</sup>	104	150	176
<b>Total</b>	<b>934</b>	<b>559</b>	<b>506</b>

<sup>1</sup>Voluntary redundancy with incentive: early retirement included.  
<sup>2</sup>Others: the vast majority are due to contracts coming to an end.

Contract terminations for the last three years, by gender, are as follows:

#### CONTRACT TERMINATIONS BY GENDER

		2021	2022	2023
Total departures (number of voluntary departures, redundancies with incentives <sup>1</sup> , retirements, dismissals and other <sup>2</sup> )	Men	759	432	412
	Women	175	127	94
Total departures as % of total workforce	Men	11.0%	6.3%	6.2%
	Women	7.4%	5.2%	3.9%

<sup>1</sup>Voluntary redundancy with incentive: early retirement included.  
<sup>2</sup>Others: the vast majority are due to contracts coming to an end.

#### 401-1

Endesa wants to be an excellent company to work for, which is why it pays attention to the low staff turnover, as an indication of the satisfaction of the people who work in the company. The staff turnover rate in Spain in 2023 was 5.6%, within the values expected by the company.

#### TURNOVER RATE BY GENDER AND AGE<sup>1</sup>

	Women	Men	Total
< 30	11,2%	19.9%	16.9%
30-50	2.4%	3.0%	2.9%
>50	5.4%	9.1%	8.4%
<b>Total</b>	3.9%	6.2%	5.6%

<sup>1</sup>Turnover rate calculated as the percentage of departures divided by the total number of employees, according to the age and gender ranges to which they belong.

#### VOLUNTARY TURNOVER RATE

	2019	2020	2021	2022	2023
Percentage of total turnover rate	2.6%	6.2%	10.1%	6.0%	5.6%
Voluntary Turnover Rate Percentage	0.4%	0.4%	0.6%	0.8%	0.8%

The average time an employee stays with the company is 17.3 years, while 73.7% of the workforce had been working for the company for over 10 years.

#### AVERAGE LENGTH OF SERVICE

Number of employees with less than 10 years with the company	2,429
Number of employees who have been 10-19 years in the company	2,950
Number of employees who have been 20-29 years in the company	2,108
Number of employees between the ages of 30 and 34 with the company	959
Number of employees who have been more than 35 years in the company	589

#### Dismissals

In 2023 there were 12 dismissals at Endesa, 2 women and 10 men, representing 0.13% of the total workforce at the end of the reporting period.

#### DISMISSALS



		2021	2022	2023
Gender	Women	3	2	2
	Men	7	9	10
Age	<30	2	2	2
	30-50	7	6	7
	>50	1	3	3
Professional category	Managers	0	1	0
	Middle Managers	4	0	5
	Admin and Management	3	6	4
	Operators	3	4	3

#### 4.6.1.2. Talent and Leadership Management

#### 4.6.1.3. Training

##### 3-3 Training and Education Management Approach

In its commitment to people, Endesa's learning strategy puts them at the centre and offers a wide range of learning actions to provide and improve the technical qualification they need, and grow in their personal development, helping them to do their job better, contributing to making the company a benchmark in the sector. Endesa has a fully up-to-date catalogue with courses on the most cutting-edge skills and techniques, learning experiences that reinforce people's comprehensive well-being and practical lessons that help them to work with new tools and technologies and lead in a new organisational model that is more flexible, friendlier, more responsible and empathetic.

Endesa's cultural evolution has led to an evolution in learning that facilitates the adaptation and growth of all employees in the new environment. Within the framework of the "Love to Learn" project, a culture of self-development and self-learning is being built up. We offer a wide variety of learning formats, accessibility, flexibility, and a high degree of inspiration. Open platforms have been integrated into Endesa's e-learning platform, eEducation, which allow for the creation of personalised itineraries, ensuring that all content is tailored to the individual needs of each person.

In this way, Endesa encourages people to develop their ability to remain in continuous learning and become the promoter and protagonist of their training. A new way of learning based on curiosity, openness, and the ability to learn from lived experiences, as different personal and organisational changes develop, facilitating multidisciplinary and the dissemination of knowledge.

For yet another year, there has been a growth in learning communities on the digital learning platform, eEducation, to share knowledge and develop the social side as a meeting point for people, with content that transcends the strictly professional and with the development of new tools and skills to face the new hybrid work model and new gentle leadership.

There is evidence of a complete transformation of traditional in-person courses into virtual courses which are accessible from anywhere through all types of devices, with formats that have a shorter duration and adapted dynamics. Online learning content has increased.

A policy has been promoted for the adaptation of online courses that ensures their accessibility to people with visual and hearing disabilities.

Training actions in 2023 addressed the needs uncovered as a result of a number of processes undertaken to ascertain training requirements in order to ensure continuous and updated learning in the different categories defined and classified as upskilling and reskilling: Human Skills, Technical; Prevention and Prescriptive.

Within the framework of the energy transition and decarbonisation, during 2023 the reskilling training strategic plan that has been developed since 2019 with great success has been completed.

#### 4.6.1.3.1. Main Dimensions and Significant Aspects

##### 404-1

###### TRAINING AT ENDESA

	2021	2022 <sup>(1)</sup>	2023
Employees trained (n <sup>o</sup> )	8,876	9,526	9,097
Percentage of staff trained (%) <sup>(2)</sup>	95.9	98.2	100
Number of training events (n <sup>o</sup> )	5,387	5,694	5,131
<b>Total hours of training</b>	406,917	422,962	471,285
Direct and indirect investment (million euros)	34.3	36.1	41.3
Direct costs (million euros)	12.6	12.6	12.8

<sup>1</sup>In 2022, there was a change of criteria in the calculation of hours, and the hours of training of completed courses will now be taken into account, as well as the proportional hours of training on courses that have not been completed. The criterion applied in the 2020 and 2021 data only corresponded to training hours from completed courses.

<sup>2</sup>To calibrate the metric, this indicator identifies the trained people who are on staff at the end of 2022

To carry out this activity, Endesa has invested a total of 41.26 million euros on training in 2023, of which 12.76 million euros were direct training costs.

##### 404-1

In 2023, Endesa held 5,131 training sessions in which 9,097 employees participated. This activity involved 471,285 hours of training, with an average of 51.81 hours per employee.

###### NUMBER OF HOURS OF TRAINING BY TYPE OF TRAINING

	2021	2022	2023
Online Management Training	113,252	123,704	63,722
Face-to-face management training	8,177	11,272	15,888
Online technical/specific training	228,826	216,648	162,478
In-person technical/specific training	56,662	71,337	229,197
<b>Total training hours</b>	406,917	422,962	471,285

###### NUMBER OF TRAINING COURSES BY TEACHING SOURCE

	2021	2022	2023
In-house training	3,383	3,381	3,305
External training	2,004	2,313	1,826

###### TOTAL TRAINING HOURS AND AVERAGE BROKEN DOWN BY GENDER AND PROFESSIONAL CATEGORY

	Managers						Middle Managers					
	Total Hours			Average			Total Hours			Average		
	2021	2022	2023	2021	2022	2023	2021	2022	2023	2021	2022	2023
Men	6,100	6,189	5,389	31.1	36.5	33.2	102,005	109,974	121,996	42.1	44.4	50.2
Women	2,007	1,804	1,467	38.8	45.4	33.8	49,046	53,362	63,054	39.7	40.1	47.7
<b>Total</b>	<b>8,107</b>	<b>7,993</b>	<b>6,856</b>	<b>32.7</b>	<b>38.2</b>	<b>33.3</b>	<b>151,052</b>	<b>163,337</b>	<b>185,050</b>	<b>41.3</b>	<b>42.9</b>	<b>49.4</b>
	Administration and management staff						Operators					
	Total Hours			Average			Total Hours			Average		
	2021	2022	2023	2021	2022	2023	2021	2022	2023	2021	2022	2023

**TOTAL TRAINING HOURS AND AVERAGE BROKEN DOWN BY GENDER AND PROFESSIONAL CATEGORY**

	2021	2022	2023	2021	2022	2023	2021	2022	2023	2021	2022	2023
Men	157,340	150,492	168,245	49.4	49.8	56.0	54,780	60,865	62,705	50.3	55.0	57.2
Women	33,549	37,734	46,074	32.4	37.1	46.3	2,089	2,542	2,345	50.1	48.2	49.8
<b>Total</b>	<b>190,889</b>	<b>188,226</b>	<b>214,318</b>	<b>45.2</b>	<b>47.7</b>	<b>53.6</b>	<b>56,869</b>	<b>63,407</b>	<b>65,050</b>	<b>50.3</b>	<b>49.1</b>	<b>56.9</b>

**4.6.1.3.2. Training Type and Content**

**404-2/3-3 Training and Education Management approach /3-3 Security Practices Management Approach/3-3 Management approach Employment EUSS/205-2/403-5**

Among the most relevant training programs that have been carried out in 2023 are the following:

**MOST SIGNIFICANT PROGRAMMES**

<b>Occupational health and safety</b>	➤ Basic level prevention.
	➤ First aid.
	➤ Electrical risk prevention.
	➤ ISO 45001 occupational health and safety management system.
	➤ Fire and emergency response PPEs/IPEs.
	➤ Safe driving.
	➤ Dissemination of the Self-Protection Plan.
<b>Welfare</b>	➤ Prevention of risks at work outside the office.
	➤ Open corner. Well-being and motivation.
	➤ Time management.
	➤ Stress management.
	➤ "Mindfulness".
	➤ Rest and sleep.
	➤ Basic emotions and emotional management.
	➤ Listen to your body.
	➤ Healthy habits.
➤ Interpersonal skills.	
<b>Diversity and inclusion</b>	➤ Endesa Powerher.
	➤ The house of inclusion.
	➤ Valuable 500: We're talking about disability.
	➤ Female talent.
	➤ Dismantling biases.
	➤ Awareness raising on "accessibility and design for all.
	➤ Diversity without labels.
	➤ TALENTIA 360. EOI Women Executives.
➤ Proactive CEO&ESADE Programme.	
<b>Environment</b>	➤ ISO 14001.
	➤ Environmental awareness.
	➤ Environmental Aspects in Distribution.
	➤ Preserving biodiversity.
	➤ Waste Awareness.
<b>Sustainability</b>	➤ e-Mobility waste management.
	➤ Environmental inspections at EGP&TGX.
	➤ Sustainability in ENEL tools and shared corporate values.
<b>Digitalisation</b>	➤ 2030 AGENDA: The new frontier for sustainable development.
	➤ Power Bi.
	➤ BEATS - WB/FB/HB.
	➤ Cybersecurity.
	➤ Connected industry. Leadership and digital transformation.
	➤ EnData.
	➤ QLIK SENSE.
➤ "Human Firewall".	
➤ Digital Routines in 21 days (R21D).	

## MOST SIGNIFICANT PROGRAMMES

<b>Technical</b>	<ul style="list-style-type: none"><li>➤ Grid Blue sky.</li><li>➤ E4E.</li><li>➤ Network engineering.</li><li>➤ Training in business systems.</li><li>➤ B2B self-consumption.</li><li>➤ Photovoltaic solar plants.</li><li>➤ Electrical hazard. NES004.</li><li>➤ Operating and planning rules. NNM076.</li><li>➤ Operation and maintenance of hydraulic power plants.</li></ul>
<b>Compliance</b>	<ul style="list-style-type: none"><li>➤ Criminal Risk Prevention and Anti-Bribery.</li><li>➤ Tax Compliance Management System.</li><li>➤ Risk of illegal transfer of workers.</li><li>➤ Competition law.</li><li>➤ Insider information.</li><li>➤ General Data Protection Regulation.</li></ul>
<b>Other training activities</b>	<ul style="list-style-type: none"><li>➤ Agile methodology programmes: Let's talk about agile, Scrum master. "Product owner".</li><li>➤ New work methodologies: "Design Thinking," "Visual Thinking," "Lean Startup" and "Creative Problem-solving."</li><li>➤ To be reborn in relationships.</li><li>➤ Become a softleader.</li><li>➤ Languages.</li></ul>

In addition to the programs described, Endesa offers its employees **postgraduate** courses that seek to provide:

- A complete, global, and integrated vision of the energy sector in all its aspects.
- A far-reaching strategic orientation.
- An approach to managing the energy business, within the national, European, and international context.

These courses allow Endesa employees to acquire the necessary knowledge to be aligned with the company's strategic objectives.

Other training agreements include:

- Spanish Energy Club (ENERCLUB) for the teaching of the master's degree in Energy Business and the master's degree in Energy Law.
- Instituto de Empresa (IE Business School) in the delivery of the Advanced Management Programme.
- Powereducation (ThePowerMBA) for the delivery of the ThePowerMBA Master and the ThePower Digital Marketing Master.

In addition, Endesa has agreements with various institutions so that employees can provide training to groups through volunteer work, as described in section 4.6.2.4.5.5.5 *Corporate Volunteering*.

## Sustainability Training

The commitment to sustainable development is an essential part of Endesa's activity. Training in this area is important, with the design, development and implementation of courses aimed at ensuring Endesa employees take on board sustainability principles in their private and professional activities, and by changing their energy behaviour they become examples for society to follow.

Promoting inclusion, diversity, ethics, and transparency is an essential element within our corporate culture, which is why it is integrated into a training strategy, with the objective of the flagship courses on compliance and diversity: Criminal Risk Prevention and Anti-bribery, Insider information, The house of inclusion and Dismantling biases.

#### TRAINING BY SUBJECT OR TYPE

	2021		2022		2023	
	Hours	Nº of participations	Hours	Nº of participations	Hours	Nº of participations
Occupational health and safety	47,888	5,824	83,144	8,552	126,047	9,097
Environment	1,540	610	1,666	834	1,600	2,239
Code of Ethics	199	195	1,081	1,378	2,343	2,789
Anti-corruption	5,447	3,678	7,556	4,926	5,043	3,778
Diversity	993	1,159	2,427	4,007	2,460	3,200
Relationship with communities	268	29	341	141	114	67
Human rights	782	1,027	620	576	387	1,174
<b>Total</b>	<b>57,117</b>	<b>12,993</b>	<b>96,835</b>	<b>20,414</b>	<b>137,994</b>	<b>22,344</b>

### Anti-Corruption Training

In accordance with the principles set out in the Code of Ethics, Zero Tolerance Against Corruption Plan and the Corruption Prevention Policies, Endesa employees must guide their behaviour towards the effective implementation of the Corruption Prevention Management Systems, in which each employee plays an important role, by means of mandatory training courses for all employees.

In this regard, the following courses stand out:

- **Criminal Risk Prevention and Anti-Bribery.** Its objective is to describe Endesa's Criminal Risk Prevention and Anti-Bribery Model that the company applies in all areas of its business group. In particular, it identifies the activities and bodies involved in the functioning of the model, as well as its operations. In addition, the main risk areas applicable to Endesa are described, as well as the general guidelines for conduct to prevent unlawful acts from occurring within the organisation.
- **Tax Compliance Management System.** Its objective is to understand the fiscal control framework at Endesa: Elements that make up the system, procedures and controls, and Governing Bodies. In addition, it aims to learn about the various channels of communication available and the different sections with tax information available.
- **Competition law.** The course covers basic principles relating to competition law. In particular, issues such as agreements with competitors, agreements with distributors, abuse of dominant position or how to act in the event of an inspection are analysed.
- **Insider information.** The aim of this course is to disseminate the content of Endesa's Internal Code of Conduct in the securities and emission rights markets, making all employees aware of the concept of insider information, prohibitions, and obligations in relation to this type of information and its processing.

The following table provides details of the main anti-corruption training figures for 2023. 28% of the workforce has completed this training (8,323 employees, excluding ANAV), of which 51% are managers and middle managers, in particular in the exposed groups.

#### ANTI-CORRUPTION AND BRIBERY TRAINING

Program	Hours			Trained Employees			% of employees trained	
	Manager	Middle Manager	Total	Manager	Middle Manager	Total	% Managers trained	% Middle Managers trained
Competition law	27	718	745	27	714	741	13%	19%
Insider information	12	188	200	7	150	157	3%	4%
Criminal risk prevention and anti-bribery	3	310	313	3	310	313	2%	8%
Tax compliance management system	11	273	284	22	546	568	11%	15%
<b>Total<sup>1</sup></b>	<b>53</b>	<b>1,489</b>	<b>1,542</b>	<b>51</b>	<b>1,120</b>	<b>1,771</b>	<b>25%</b>	<b>30%</b>

<sup>1</sup>The total number of employees trained regardless of the course they have attended, meaning that they are only counted once, even if they have attended more than one of the courses

These trainings have taken place over the last few years. If we were to analyse the coverage from 2020 to 2022, this has involved 4,914 hours of training and 170 managers and 2,592 middle managers.

#### Training for Security Personnel

##### 410-1/3-3 Security Management Approach

Physical security services in facilities (surveillance) are provided by external personnel and their organisation adapts to the need to cover the services necessary to secure the company's assets.

In any case, these services are provided by professionals duly accredited and authorised by the Ministry of the Interior. Their training includes aspects of Private Security legislation, basic rights of people and Human Rights.

##### Training of Employees in Human Rights Policies or Procedures

There is an online Human Rights course available to all the workforce for the purpose of disseminating our commitment, knowledge about human rights and the actions that Endesa undertakes to respect these rights.

With this training, Endesa promotes knowledge not only of its human rights policy and related implementation practices, but also of the due diligence process to identify, prevent, mitigate, and report on the potential risks and consequences derived from the daily actions of employees.

#### HUMAN RIGHTS TRAINING

	2021	2022	2023
Hours of employee training on human rights-related policies and procedures relevant to their activities	782	620	387
Number of employees who received human rights training <sup>1</sup>	1,027	576	1,174
Total number of employees	9,258	9,258	9,097
Percentage of employees who received human rights training (%)	11	6	13

<sup>1</sup> The difference in the volume of hours and employees trained between 2022 vs 2023 can be attributed to the high level of attendance on courses with a low number of hours.

#### 4.6.1.4. Social Dialogue

##### 2-30/407-1/3-3 Freedom of Association and Collective Bargaining Management Approach/ Labor/Management Relations Management Approach

Within the framework of Endesa's labour regulations and the provisions of Title III of the Workers' Statute, and in order to implement labour relations based on dialogue and agreement, the company recognises the Trade Union Representatives who are signatories to Endesa's Collective Bargaining Agreements as necessary interlocutors to facilitate the resolution of any conflicts that may arise in the socio-labour dynamics that may occur at Endesa.

At the level of the parent company, Enel, there is a European Works Council, as a body for trade union dialogue at the global level.

The consultation and participation of employees in occupational health and safety matters is instrumented by virtue of the provisions of articles 115 et seq. of the V Endesa Collective Agreement.

Collective working conditions in Spain are regulated at Endesa through the various collective agreements, which improve the labour regulations in each area in which the company operates. Workers' freedom of association is guaranteed at Endesa and in all the contractors and suppliers with which it has a relationship. In Portugal, working conditions are fixed through the employment contract.

With regard to collective bargaining procedures, in 2023 they were carried out in strict accordance with Spanish and Endesa regulations in relation to reorganisations, transfers of workers between group companies, etc.

For employees who are not covered by a collective agreement, their conditions of work and employment are based on the Collective Agreements. However, due to the special nature of this group, there are conditions that are exclusively applicable to it and that are agreed on an individual basis.

## 2-30

At Endesa there were 2 collective agreements in force at the end of 2023, affecting 7,971 employees, 88.2% of the workforce. In 2023, no Agreement was signed.

### ENDESA EMPLOYEES

	Spain				Portugal				Total Spain and Portugal	
	Employees		%		Employees		%		Employees	%
	2022	2023	2022	2023	2022	2023	2022	2023	2023	
Staff covered by collective agreement	8,213	7,971	88.9%	88.2%	0	0	0.0%	0.0%	7,971	88.2%
Staff outside collective agreement	1,025	1,031	11.1%	11.8%	20	33	100%	100%	1,064	11.8%
<b>Total</b>	<b>9,238</b>	<b>9,002</b>	<b>100%</b>	<b>100%</b>	<b>20</b>	<b>33</b>	<b>100%</b>	<b>100%</b>	<b>9,035</b>	<b>100%</b>

### 402-1/3-3 Management of Relations between Workers and Management Approach/Freedom of Association and Collective Negotiation Management Approach

Pursuant to Spanish and Endesa labour regulations in 2023, the criteria to be followed in the event of business reorganisation and corporate restructuring were established, whereby Union representatives will be informed at least 30 days before any such corporate restructuring and reorganisation is actually implemented.

In the field of collective bargaining, the most relevant actions in 2023 have been:

#### MOST RELEVANT ACTIONS IN 2023

<b>Collective bargaining</b>	➤ Agreement on the transfer of workers from Endesa X Way, S.L. to Endesa Mobility, S.L.U.
	➤ Agreement on the transfer of workers from the company Empresa Alumbrado Eléctrico de Ceuta SA to the newly created company Energía Ceuta XXI and their inclusion in the functional scope of the "V Endesa Framework Collective Agreement".
	➤ Resolution of the Negotiating Committee for Specific Matters establishing the rights and guarantees of the workers affected by the transfer of assets from Enel Iberia, S.R.L. to Gridspertise Iberia, S.L. and the obligation of the former in relation to those workers.
	➤ Merger agreement by absorption of Endesa Red, SA by Endesa, SA and transfer of workers: close of the consultation period.
	➤ Endesa Equality Plan Agreement.

In June 2023, the V Endesa Framework Collective Agreement was terminated and collective bargaining for the VI Endesa Collective Agreement was commenced. The Negotiating Committee for the VI Endesa Collective Agreement was set up in June. Negotiations have been underway since then.

39.58% of employees are members of a union at the end of 2023.

Spain has been an ILO signatory since its foundation, and Endesa's conventional regulations meet the existing Conventions ratified by Spain.

### Organisation of Working Time

The annual working day is established in accordance with the terms laid down in the Endesa regulations.

#### HOURS WORKED BY GENDER

	Spain		Portugal		Total	
	2022	2023	2022	2023	2022	2023
Headcount as of December 31	9,238	9,002	20	33	9,258	9,035
Men	10,991,491	10,957,619	13,757	86,536	11,005,248	11,028,605
Women	3,829,399	3,780,633	15,345	70,986	3,844,744	3,851,620
<b>Total hours worked in the year</b>	<b>14,820,890</b>	<b>14,738,252</b>	<b>29,102</b>	<b>157,522</b>	<b>14,849,992</b>	<b>14,880,225</b>

The total number of hours worked with regard to contractors in 2023 amounted to 39,937,339 hours.

### Work Disconnection Policy

Endesa recognises the right to disconnect, given the risk that the impact of technology on the company and its influence on new forms of existing flexible work may have an impact on work-life balance.

In this regard, following the approval at the end of 2018 of Organic Law 3/1028 of 5 December on "Personal Data Protection and guaranteeing digital rights", Endesa identified the need to make progress in the preventive field and address new measures to reduce or mitigate possible cases of IT stress or fatigue in line with the provisions of said regulations and in the terms set out in Article 46 of the V Endesa Framework Collective Agreement.

In this regard, an agreement was reached with the Social Representation within the Equality Commission on the internal policy regulating the right to digital disconnection of Endesa workers. The policy defines the right to digital disconnection and the training and awareness actions that the company makes available to workers to make reasonable use of technological tools, to avoid the risk of computer fatigue. In this sense, as it is an agreement reached in the Equality Committee with Social Representation, this policy is available to all workers

#### 4.6.1.5. Work Environment

##### 3-3 Employment Management Approach

Endesa continued to promote the new work model. In 2023, more than 65% of the workforce (5,913 employees) enjoyed a hybrid work model combining remote work with face-to-face work in the offices. A variety of surveys, interviews, focus groups and initiatives were carried out at different levels within the organisation to gauge how employees felt and how they were adapting to the remote working and the partial return to on-site work, adding questions about workload, wellbeing, leadership, and their motivation and commitment to Endesa.



Endesa's priority is to put people at the centre and to this end, it has focused in 2023 on improving the level of satisfaction and well-being, following the "Well-being – Motivation – Results" cycle, which translates into more well-being, more motivation, and better results.

The initiatives carried out during 2023 continue to focus on:

- Enhance Endesa's strengths and values as levers to reinforce the areas for improvement identified.
- Improve management skills in increasingly digital, flexible, and diverse environments.
- Promote the participation of employees in decision-making on projects and processes, developing the values of trust, proactivity, responsibility, and innovation on which Endesa bases its management model.

To improve the workplace climate and satisfaction, initiatives were conducted by the People and Organisation Unit, the "Wellbeing and Welfare" Unit at a global level. They launched a Global Wellbeing Plan focused on people care and personal wellbeing at work and in private life, with the aim of increasing the level of peace of mind and reinforcing the sense of belonging.

Thanks to the "Wellbeing" survey rolled out to employees, the needs of employees were elicited and initiatives such as the Wellbeing Plan were put in place. This involves regular questionnaires on how employees feel in their professional and personal environment on a physical, psychological, and relational level. In addition, webinars on physical and psychological well-being have been made available to employees who have completed the Plan and more than 3,000 employees who have passed a series of credits have been rewarded with days off for well-being because we wanted to reward caring for people. As a complement to this plan, a Wellness Route has been designed with which you can enjoy yoga, pilates, relaxation or sports events, among others.

In addition, employee participation initiatives continued, such as Endesa Lovers, this year focusing on the territories, in which more than 5,000 people took part, obtaining a satisfaction rating of 7.5 out of 10. A multitude of simultaneous events were held in all Endesa's territories, full of music, entertainment, and relaxation, which helped reconnect people with the company's cultural evolution strategy based on four pillars: Leadership and self-development, diversity, well-being, and acknowledgment.

Focus has also been placed on people managers as enablers of the work climate; we held an event to foster their leadership and improve their networking.

Communities have been consolidated and have grown (there are currently 20 communities with more than 2,700 people) that segment employees by interest groups (women's community, data experts, LGBTIQ+ community, energy linkers, inclusion community, etc.) which have also contributed to improving the climate and employee engagement.

Likewise, all the initiatives carried out during the 2023 financial year have been regularly monitored, to ensure compliance with the planning and objectives set.

#### **4.6.1.6. Responsible Management of People**

##### **3-3 Employment Management Approach**

###### **4.6.1.6.1. Diversity**

##### **3-3 Non-Discrimination Management Approach/Diversity and Equal Opportunities Management Approach/Employment Management Approach.**

Endesa believes in diversity among its employees as an enriching element for the Company. The progressive increase of women in the workforce, the recruitment of people from other nationalities, young people to rejuvenate the workforce, the recognition of the longest serving members of staff, as well as the integration of people with disabilities are a sign of respect for the

different aspects that serve as the basis for its Diversity and Inclusion Policy (age, gender, culture and disability).

As proof of Endesa's firm commitment to diversity, the functions of the Sustainability and Corporate Governance Committee include the review of the definition and modification of the policies on diversity and integration, equal opportunities and work-life balance, and the supervision of the information on their monitoring, in such a way that it enables periodic assessment of their degree of compliance.

#### *4.6.1.6.1.1. The Diversity and Inclusion Policy*

Endesa, within the framework of its Diversity and Inclusion Policy and the company's Human Rights policy, rejects all forms of discrimination and undertakes to guarantee and promote diversity, inclusion, and equal opportunities. Endesa spares no efforts in fostering and maintaining a climate of respect for personal dignity and individuality, ensuring the highest standards of confidentiality as regards any information related to the private life of employees that it may become aware of. Therefore, also in compliance with the values and principles included in Endesa's Code of Ethics, and as part of it, the company adopts the following fundamental principles:

- Non-discrimination.
- Equal opportunities and dignity for all forms of diversity.
- Inclusion.
- Striking a balance between personal, family, and professional life.

#### **406-1**

Based on the above principles, Endesa undertakes to implement specific actions to promote non-discrimination and inclusion in the dimensions that make up its Diversity Policy, as well as to periodically monitor the actions and the different indicators.

In this regard, the Diversity Policy sets out, among others, the principles for establishing the objectives related to diversity within the Board of Directors, in compliance with the Code of Good Governance, which establishes that the number of female directors should account for at least 40% of the members of the Board of Directors. In 2023, Endesa exceeds the target of 40%, achieving a 42% presence of women on the Board of Directors. For more information, see section *4.7.2. Sound governance*.

In 2023 there were no incidents of discrimination at Endesa, a figure that the company periodically reports to the Workers' Representatives.

In addition, there have been no fines, penalties, or damages, as there have been no violations of the equal opportunities' rights of the workers themselves.

As basic principles of the Action Protocol for the prevention and eradication of sexual harassment, the following deserve special mention:

- Endesa and its workers express their full and resounding rejection of any conduct that involves sexual, gender and workplace harassment, committing to work together to prevent, detect, correct, and punish this type of behaviour.
- Endesa Management guarantees the activation of an appropriate procedure to manage situations where there is a complaint of sexual, gender or workplace harassment.
- The Protocol details a procedure that, among other aspects, guarantees the confidentiality and protection of the privacy and dignity of the persons involved, the preservation of the identity and circumstances of the complainant, the urgent processing and a professional and thorough investigation of the facts reported.

- The Protocol expressly provides for the adoption of all kinds of measures, including, where appropriate, those of a disciplinary nature, against a person or persons (a) whose sexual, gender or workplace harassment is established; as well as (b) in relation to whoever makes a false accusation or complaint, especially when it is proven to be in bad faith, without prejudice to safeguarding the legal actions that the complainant may follow.
- Endesa and its employees are committed to carrying out information campaigns and training and awareness-raising actions on the problem of sexual, gender-based or work-related harassment in order to prevent and eradicate this type of behaviour.

Endesa, through the values implemented in the company, has repeatedly expressed its commitment to fundamental rights and, in particular, to respect for the dignity of the person and equal treatment between women and men. Thus, it considers that sexual violence constitutes a reprehensible attack on the moral integrity and sexual freedom of the person, which prevents or hinders his or her free personal and professional development, and also causes a profound deterioration of his or her psychosocial well-being and the work environment. For this reason and based on the guiding principles of Organic Law 10/2022 on the comprehensive guarantee of sexual freedom, a multidisciplinary working group has been created to design and implement an action protocol whose objective is to promote conduct and behaviour, both collective and individual, that favours the creation of working environments in which there is no place for situations of sexual violence. This action protocol is pending signature and when the signature of all the legal representatives is obtained, it will be made public to all employees. The lines of work are:

- Drawing up a Code of Good Practice and a specific procedure for the prevention of and action against acts or conduct that may constitute sexual violence.
- Awareness-raising campaigns so that everyone is able to detect possible situations and act in accordance with the provisions of both documents.
- Sending to everyone in the company the measures to be adopted to prevent and avoid any manifestation of this type of situation.
- Development of an online course for comprehensive protection against sexual violence.
- Communication with the description of the characteristics of spaces free of sexual violence in Endesa.

#### 4.6.1.6.1.2. Promoting Gender Equality

### 3-3 Employment Management Approach

DIVERSITY			
	2021	2022	2023
Women in the total workforce (%)	25.5%	26.3%	26.5%
Women in middle management (%)	33.8%	34.9%	35.7%
Women in management positions (%)	20.8%	18.9%	21.1%
Women in management positions with revenue-generating functions (%)	26.2%	27.5%	27.6%
Women in STEM positions (%)	17.8%	19.2%	20.6%

On a monthly basis, the data and results of the actions carried out in the area of gender diversity are published and performance is assessed with respect to the goals set for 2023. Compared to the previous year, the number of women in the workforce has increased by 0.2%, and the number of women in Middle Manager positions rose by 0.8%. The number of women in managerial positions has increased by 2.2%, taking into account that last year the criteria for appointing managers was changed to a model based on the responsibility they perform.

Likewise, the number of women on the Board of Directors of Endesa, S.A. has remained at 41.7%.

Every year, the number of women in positions of responsibility increases thanks to women's empowerment actions and the policies established in the Succession plans in which the percentage of women has to be 50%.

In the 2023 financial year, the percentage of women recruited was 37.2%, 1.0% lower than in the previous year, mainly due to the total decrease in the number of external recruitments in which only highly operational technical profiles where women are under-represented are being recruited.

Endesa's commitment to diversity has been rewarded with significant improvements in various indices. For example, the Bloomberg Gender Equity Index showed an improvement of 2.93 compared to the previous year. In the Dow Jones, this year it has advanced from the top 10 to the top 5 in the diversity dimension. Likewise, in rankings such as Actualidad Económica, an improvement of 5 positions has been achieved with respect to the previous year, while in the Merco Talento ranking, an improvement of 15 positions has been achieved.

### Voluntary Commitments to the Administration and Other Entities

Within the framework of voluntary commitments acquired by Endesa with the Ministry of Equality (hereinafter the Ministry), the following are worth special mention:

Company Certification	Equality	As part of Endesa's commitment to equality, in 2010 the Ministry awarded Endesa the "Company Equality" certificate, and it has been renewed every three years ever since. Every year, the corresponding monitoring reports are submitted, which are mandatory to maintain this concession, and in 2023 the fourth extension of the distinction has been obtained. Endesa also forms part of the Network of Companies that are certified on account of their Equality efforts and has actively participated in the different initiatives performed by this Network.
"More Women, Better Companies" Initiative	Better	As part of the "More Women, Better Companies" initiative, with which Endesa has been collaborating since 2014, its affiliation to the 2019-2023 Protocol remains in force with a view to promoting the balanced participation of women and men in pre-executive and executive positions and on management committees. The Protocol contains quantitative objectives related to the presence of women in positions of responsibility, as well as qualitative commitments related to the promotion of technological vocations in girls, programs for the development of female leadership, employee awareness, measures to support maternity/paternity, and visibility of female talent inside and outside the company. The objectives committed to in this Protocol are monitored through biannual reports.
Initiative "For a society free of gender-based violence"		The Company has also made commitments to other institutions and targets are reported publicly.
CEOs for Diversity		Since 2019, Endesa has maintained its adherence to the CEOs for Diversity Alliance, promoted by the Adecco and CEOE foundations. By signing the Alliance, Endesa's CEO recognises diversity, equity and inclusion as fundamental values that enrich companies and strengthen their competitiveness. Endesa is also committed to promoting diversity strategies, involving its Management Committees, and creating a common vision in terms of diversity.
AEMENER (Energy Women's Network)		In 2022, Endesa signed an agreement with the AEMENER association to promote female leadership and improve networking. In 2023, it collaborated with the association on studies for the Observatory on the Role of Women in Energy Sector Companies.

## Implementation of the Policy

Endesa has an Equality Plan that sets up a framework of action to promote effective equality, equity, development, work-life balance, and joint responsibility among all professionals, and which is part of the V Framework Agreement.

### Equality Plan of the Agreement

#### 3-3 Employment Management Approach

This Equality Plan that includes the Human Resources Policies for promoting the implementation of the actions required to facilitate the incorporation of women into decision-making positions with a greater level of responsibility.

The plan was negotiated and agreed with the Workers' Representatives and its implementation is monitored as part of the work undertaken by the Equality Committee. It is structured in 4 sections:

- Measures to promote equal treatment and opportunities for women and men.
- Measures relating to the reconciliation of personal and family life with working life.
- Specific measures providing protection during pregnancy to mothers, the partner of the mother and to the new-born baby.
- Special measures for the protection of victims of gender-based violence and victims of terrorism.

It should also be remembered that the Equality Plan established in the Framework Agreement applies to all companies within its scope, regardless of the number of workers, although this was not obligatory, since equal treatment and opportunities between men and women is a priority for the company and for the trade union sections that signed the equality plan, and is considered a key principle of labour relations and human resources management in the company

The Plan ensures the effective application of the principle of equal pay for work of equal value and, in particular, the absence of gender pay gaps.

The Plan also sets out the possibility of adapting the working day by applying flexitime, a temporary change in working hours, reduced working hours and leave to take care of relatives. It also has specific measures for the protection of pregnancy and maternity, and special measures for the protection of victims of gender-based violence. As a tool for helping with the care of children, for both mothers and fathers, the Plan provides for the establishment of agreements with nurseries and awareness in relation to equality through information and communication.

Thus, all the measures set out in the Equality Plan have been implemented in Spain. This Plan is evaluated and monitored by company management and trade unions through the joint equal opportunities commission provided for in the collective agreement.

Pursuant to the provisions of Organic Law 3/2007, of 22 March, for the effective equality of women and men, Endesa has worked on diagnosing the situation of the Equality Plan under the Equality Committee.

Similarly, during 2023, Endesa has worked on the application of Royal Decree 901/2020 of 13 October, which regulates the Regulation on equality plans and Royal Decree 902/2020 of 13 October, which regulates the Regulation for equal pay between women and men, having achieved an Equality Plan in accordance with the latest regulations and agreed with the employee representatives within the Equality Commission.

In addition, Endesa continues to complement the Equality Plan with a Gender Diversity Action Plan for 2023, aligned with the Diversity and Inclusion Policy, which is made up of different pillars and actions:

## PILLARS AND ACTIONS OF THE 2023 GENDER PLAN



### Talent Attraction

- Actions to improve STEM vocations:
  - ✓ Dismantling stereotypes
  - ✓ Ella te cuenta
- Initiatives in selection processes (job fairs, inclusive language, % of women criteria, etc.)
- Preparation of a talent attraction policy that includes Endesa's commitment to Diversity and Inclusion | **NEW**



### Promoting women's leadership

- Women Mentoring and Cross Mentoring
- Internal talks by leading figures in women's leadership
- Succession Planning Initiatives
- CEOCE Proactive Women's Leadership Program
- Promote the inclusion of women in the Women's Network (Endesa PowerHer) through the creation of a specific space on My Company | **NEW**



### Communication

- Eliminate stereotypes of suppliers (training, agencies, advertising, etc.)
- Celebration of equality events
- Review of P&O Communications for Use of Non-Sexist Language | **NEW**



### Awareness raising

- Implementation of the Women's Network
- Training: "Combating"
- Share best practices with other companies
- Promote the implementation of Equality plans at contractors
- Focal point in territories
- Conscious decisions: *feedback*
- Equality Training | **NEW**
- Women's Energy Sector Business Observatory at AEMENER | **NEW**



### Commitments/Acknowledgments

- Equality Badges:
  - ✓ Ministry of Equality
  - ✓ Membership of the Excellence in Sustainability Club
- Protocol "More Women, Better Companies"
- Bloomberg prominent position
- "Pioneras\_IT" Private Institution Jury
- Empowering Women's Talent Seal
- Guarantee the gender perspective in the negotiation of the new Endesa Collective Bargaining Agreement | **NEW**
- Apply for the Seal of the Ministry of Equality as a company free of gender violence (pending publication of Regulations that define the necessary criteria) | **NEW**



### Work-Life balance

- Equality Plan: 68 work-life balance measures
- Encourage co-responsibility | **NEW**
- Parental program: Psychological support | **NEW**



### OHS, Health and Wellbeing

- Global Wellbeing Program with a Gender Perspective
- Revision of the Workplace Harassment and Gender Harassment Protocol
- Implementation of measures with a gender perspective in health and safety
- Psychological support for female victims of gender-based violence, sexual or gender-based harassment
- Parental Program Update
- Measures against sexual violence at work | **NEW**



### Monitoring KPIs/Reporting

- Bloomberg Index
- Equality Committee: monitoring of the Equality Plan measures | **NEW**
- KPI data analysis with diversity news in all channels | **NEW**

The inclusion of LGBTIQ+ employees adds to the wealth of diversity represented at Endesa, where talent is valued regardless of their identity, gender expression and sexual orientation.

With the aim of promoting an inclusive and respectful work environment, the LGBTIQ+ community at Endesa, created in 2022 and supported by REDI (network of companies and professionals in Spain in favour of the diversity and inclusion of LGBTIQ+ people), has experienced significant growth. In 2023, this community has been very proactive, implementing initiatives to raise awareness and visibility of the collective aligned with the objectives set out in the Strategic Plan for Sustainability:

- Communication to the entire workforce on the occasion of the celebration of Pride Day (June 28).
- Awareness-raising talk on diversity and inclusion of the LGBTIQ+ community given by Marc Tur (Olympic athlete and European medallist) for all Endesa employees (face-to-face and online).

- Participation in the news item in the newspaper El País about Trans Talent in companies on the occasion of the celebration of Labour Day (1 May).
- Incorporation of an Endesa person in the List of Top LGBTIQ+ Leaders in Spain.
- Preparation of news item on good practices in awareness-raising for LGBTIQ+ inclusion at Endesa for publication in the 19th edition of the Corresponsables Yearbook (to be published in March 2024).
- Endesa representatives have participated in three events organised by Equipos & Talento to share best practices in diversity and inclusion of the LGBTIQ+ community among REDI member companies.

The community of LGBTIQ+ employees and allies joins the community of women and the community of inclusion of people with disabilities. These self-managed communities have proposed and implemented initiatives that give a voice to employees from different groups.

#### 4.6.1.6.1.3. Promotion of Other Dimensions of Diversity (Age, Nationality, and Disability)

##### Promotion of disability

###### 405-1

In 2023, Endesa's workforce has 98 employees with disabilities, categorised as vulnerable groups, representing 1.08% of the workforce in Spain and Portugal. In 2023, Endesa did not have any other types of vulnerable groups (e.g., migrant workers) in its workforce.

###### EMPLOYEES WITH DISABILITIES BY GENDER

	2021	2022	2023
Women	19	21	23
Men	57	69	75
<b>Total</b>	<b>76</b>	<b>90</b>	<b>98</b>

###### EMPLOYEES WITH DISABILITIES BY CATEGORY

	2021	2022	2023
Managers	1	1	1
Middle Managers	23	33	38
Administrative and office staff	47	50	51
Operators	5	6	8
<b>Total</b>	<b>76</b>	<b>90</b>	<b>98</b>

Endesa complies with current legislation on disability, as approved in the General Disability Act, and as a sign of its commitment to the inclusion of people with disabilities, in September 2020 Endesa signed up to "Valuable", an initiative that targets 500 private sector companies with the aim of promoting and integrating the business, social and economic value of people with disabilities around the world. Fifty-six initiatives have been implemented, 20 of which will be implemented by 2023. The company, which has already included disability on the agenda of its Board of Directors, has made a public commitment to action on disability issues.

## Integration and Universal Accessibility for Persons with Disabilities

Endesa complies with all local regulations and building codes applicable in the countries in which it operates in terms of accessibility to its facilities for people with disabilities. In this regard, Endesa applies Operational Instruction 715 of the Comprehensive Office Improvement Project, in whose Manual of Construction Standards for Endesa offices, it is established that “It is essential that in all buildings access and use is facilitated and this should be non-discriminatory, independent and safe for people with disabilities”, defining the parameters of accessibility that, apart from current legislation, should be mandatory in all company buildings.

In addition, within the Valuable 500 action plan, various actions have been undertaken in 2023 to promote the integration of people with disabilities (adaptation of the onboarding process for people with disabilities, adaptability of training actions for people with disabilities, etc.). In addition, other initiatives have continued to be developed, such as the adaptation of all headquarters evacuation protocols for people with disabilities, validation of risk reports according to AESPLA guidelines with recommendations beyond those required by law (adaptation of medical check-ups for people with disabilities, among others).

## Promotion of Other Diversities (Age And Nationality)

### PROGRAMMES

<b>Age</b>	➤	<b>Onboarding new recruits:</b> This initiative supports employees during the main transition period and especially following their recruitment to the company.
	➤	<b>Knowledge transfers:</b> This includes mentoring programmes and internal training initiatives.
	➤	<b>Our greatest values:</b> Initiative to recognise the professional trajectory of older people.
	➤	<b>Visibility of young talent</b> through the BE Talent Community, which fosters networking among young people and makes them the company's brand ambassadors
	➤	<b>Generation and Talent Observatory:</b> adherence to the Generational Diversity Code
<b>Nationality</b>		<b>Expatriate Tutoring:</b> Assignment of a tutor from the country of destination to help and support them during their expatriation period.

The breakdown of Endesa's workforce by nationality is as follows:

### INCLUSION

	2022		2023	
	% of the total workforce	% of total management positions	% of the total workforce	% of total management positions
Spanish	97.1%	94.6%	97.1%	94.7%
Portuguese	0.9%	1.9%	1%	2.0%
Italian	0.4%	0.9%	0.4%	0.9%
French	0.5%	1.0%	0.5%	0.9%
Brazilian	0.1%	0.1%	0.1%	0.1%
German	0.1%	0.2%	0.1%	0.1%
Venezuelan	0.2%	0.2%	0.2%	0.2%

### 4.6.1.6.1.4. Promoting Diversity Through Employee Communities

In 2023, a boost was given to the creation and consolidation of communities that segment employees into stakeholders. There are currently 20 operating communities; with more than 2,700 employees, these communities are an example of diversity because they integrate participants from different areas, ages, professional categories, etc., and have also contributed to improving the climate and employee engagement.

Here are some of the communities that are working specifically to promote some of the dimensions of Diversity:



<b>Women's Community</b>	<b>Endesa PowerHer</b> has worked towards the objectives of empowering and raising the profile of women's leadership, helping to promote gender diversity initiatives, and encouraging internal and external networking. It has more than 200 members (the number has doubled compared to the previous year) and they have received specific training in female leadership, have developed initiatives such as inter-company round tables focusing on networking and in the world of data, specific mentoring has been carried out with women and awareness-raising events have been held on different anniversaries such as "women's day" or "girls and science" day.
<b>Community of Inclusion</b>	The inclusion community grows every year. In 2023 it has had 25 members, and it is a multidisciplinary community whose objective is to analyse and develop initiatives that promote Endesa to be a more inclusive company. All members of the community have the role of ambassadors at Endesa to promote inclusion and have participated in the design and implementation of the 2023 initiatives, such as adapting the onboarding process for people with disabilities, adapting training activities for people with disabilities, and participating in external events such as "inclusive reading of Don Quixote" at the University of Alcalá de Henares, among others.
<b>LGBTIQ+ Community</b>	The LGBTIQ+community was consolidated in 2023, adding to the wealth of diversities. It is currently composed of 40 members who promote the diversity of the collective to give it greater visibility so that everyone can develop in a climate of respect protected by human rights policy. In 2023 they have designed and collaborated in the implementation of the initiatives planned according to the objective of the Strategic Plan for Sustainability.

#### 4.6.1.6.2. Balance Between Professional, Personal, and Family Life

##### 401-2/401-3/3-3 Employment Management Approach

Endesa continued to carry out a variety of initiatives to foster its flexible working environment and help employees achieve a balance between their personal, family, and professional lives. The measures that the Company is taking to facilitate work-life balance fall into five main groups: Job quality (open-ended contracts, pension plans, health and well-being, support for expats, etc.), personal and work time flexibility (reduced working days, leave, paid leave from work, etc.), family support (leave, paid leave from work and work schedule flexibility to care for relatives, aid to dependent elderly persons, etc.), professional development (professional, technical, skill, language training, volunteer programmes, coaching, etc.) and equal opportunities (professional assistance for victims of gender violence, medical advice, etc.).

Since 2008, Endesa has had an Equality Plan in place that provides a framework for action to promote effective equality, equity, development, work-life balance and co-responsibility among all professionals, and which forms part of the "5th Endesa Framework Collective Agreement". This Equality Plan has been the subject of negotiation and agreement with the Social Representation in the regulatory body of the successive Endesa Framework Collective Agreements that have been signed from 2008 to the present date. Throughout 2022 and 2023, meetings were held with employee representatives to negotiate Endesa's Equality Plan in accordance with current legislation.

The measures relating to the reconciliation of personal and family life with working life are included in the Endesa 5th Framework Collective Agreement (Equality Plan) and are possibility of adapting the working day by applying flexitime, a temporary change in working hours, reduced working hours and leave to take care of relatives. It also has specific measures for the protection of pregnancy and maternity, and special measures for the protection of victims of gender-based violence. As a tool for helping with the care of children, for both mothers and fathers, the Plan provides for the establishment of agreements with nurseries and awareness in relation to equality through information and communication.

As a complement to the Equality Plan, a Gender Diversity Action Plan has been defined, aligned with the Diversity and Inclusion Policy, which includes among its pillars a specific one on Work-Life Balance. In addition to the 68 work-life balance measures contained in the Equality Plan, there are specific parenting programmes that promote co-responsibility

#### EMPLOYEES BENEFITING FROM ACTIONS AIMED AT RECONCILING WORK AND FAMILY LIFE

	2021	2022	2023
Women	2,203	2,073	2,145
Men	5,104	4,013	4,143
<b>Total</b>	<b>7,307</b>	<b>6,086</b>	<b>6,288</b>

All employees are entitled to family leave as long as the requirements for the use of such leave are met.

#### EMPLOYEES ENTITLED TO FAMILY LEAVE (%)

	2021	2022	2023
Men	100%	100%	100%
Women	100%	100%	100%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

#### EMPLOYEES WHO HAVE TAKEN LEAVE FOR FAMILY REASONS (%)

	2021	2022	2023
Men	74%	59%	65.8%
Women	93%	85%	83.3%
<b>Total</b>	<b>79%</b>	<b>66%</b>	<b>70.4%</b>

Among these initiatives, Endesa continued to promote the "Work Outside the Office" project. Throughout 2023, teleworking continued to be applied and 5,913 people (3,834 men and 2,079 women) took advantage of it, in all cases where it is possible to carry out the activity remotely, as a way of preserving health in the face of contagion, while continuing to accompany people to maintain motivation and results.

In the Madrid, Barcelona, and Seville offices, in order to benefit women who have become mothers, the service of lactation rooms has continued to be offered.

As a company firmly committed to employees' health and well-being, Endesa has been promoting the Train Yourself Programme since 2011. This program encourages the practice of sport, through a monthly subsidy from the company to the employee. During 2022 and 2023, the number of employees benefiting from the Entrénate programme was 4,691 (2022) and 5,396 (2023).

Endesa makes a specific Offers Channel available to all its people as employees on the corporate intranet. This channel includes a wide variety of products and services at competitive prices, ranging from leisure offers to others related to personal well-being and training. It is open to solidarity, with a section for donations to different social institutions aimed to improving the living conditions of those most in need.

In 2023, Endesa continued to make its "To Do room" available to employees at the Madrid headquarters. Working around the clock and through online payment, this room brings together services that help make employees' lives easier, e.g., clothing and footwear repair, dry cleaning, laundry, financial advice, and mobile phone, tablet, and computer repair.

There is also an app that allows people to enjoy services such as private carpooling, the e-sharing car service with a fleet of electric vehicles for professional use, cleaning and car repairs, yoga classes, pilates and maintenance gymnastics, nutritionist, and travel agency.

#### EMPLOYEES WITH LIFE-WORK BALANCE MEASURES

	2021	2022	2023
Work outside the office	6,407	5,705	5,913

**EMPLOYEES WITH WORK-LIFE BALANCE MEASURES**

	<b>2021</b>	<b>2022</b>	<b>2023</b>
Work-Life Balance Measures	7,307	6,086	6,288






**401-3**

**EMPLOYEES RETURNING TO WORK AND RETAINED FOLLOWING MATERNITY OR PATERNITY LEAVE, BREAKDOWN BY GENDER (No.)<sup>1</sup>**


	<b>2021</b>		<b>2022</b>		<b>2023</b>	
	<b>Paternity</b>	<b>Maternity</b>	<b>Paternity</b>	<b>Maternity</b>	<b>Paternity</b>	<b>Motherhood</b>
Employees taking leave	293	75	264	65	236	73
Employees who returned to their jobs after taking leave	291	75	264	65	213	57
Employees who returned the previous year and who remained in their posts twelve months later	237	79	272	66	232	49

<sup>1</sup>At present, leave can be taken discontinuously, so employees who have had one day of sick leave in the reference year are taken into account and we consider reinstatement at the end of the last period of the current year.

## 4.6.2. Engagement with Local and Global Communities

Material Topics	Plan	SDGs
Engagement of local and global communities		   

The targets of the Sustainability Plan (ESP) 2024-2026 and the closure of these indicators are shown below.

SDGs	Activities	Units	2022	2023	ESP Objectives 2024-2026	
					2024	2026
	Beneficiaries of projects on access to energy, socio-economic development, and quality education	Number of annual beneficiaries	-1	350,900	310,000 in the 2024-2026 period	

<sup>1</sup>Target redefined in 2023.

### Objectives



New



Redefined Objective

### Actions to highlight:

1. During 2023, Endesa has updated the approach and management of social projects, prioritising the positive impact on people's lives over the number of beneficiaries. In this sense, the company has improved the categorisation, measurement, and execution of social projects, which has led to a readjustment of objectives.
2. Endesa, in response to the dual materiality analysis carried out in 2023, has prioritised in its social action, employment training initiatives linked, above all, to a Just Energy Transition, as well as environmental projects and of facilitating access to energy, with a focus on the most vulnerable.
3. Endesa continues with the objective of implementing a sustainable business throughout the supply chain, promoting the Creation of Shared Value in the environments where its projects and business assets are located, through action plans that are proposed in a participatory manner with the social agents.

The scope of the information provided in this chapter corresponds to the activities carried out by Endesa, either directly or through its Foundation, as well as its investee companies in Spain and Portugal.

#### 4.6.2.1 Sustainable Business Under the CSV Approach

##### 203-1/203-2/413-1/413-2/3-3 Indirect Economic Impacts Management Approach/3-3 Local Communities Management Approach

Endesa's commitment to community development is part of its Creating Shared Value (CSV) policy, which establishes the company's relationship model with communities, with an inclusive approach and leaving no one behind. Its objective is the creation of long-term value for all stakeholders, in order to minimise environmental and social risks and impacts and at the same time generate value for the company and for the country.

The Company therefore builds a business model based on strong and lasting relationships with communities, where Sustainability enables us to pursue sustainable progress, creating cost-effective solutions, solving social needs, building mutually beneficial relationships with stakeholders, and creating long-term value for all actors to contribute to a resilient and equitable development.

The CSV model is based on three pillars:

- Make the value chains of the business lines sustainable, minimising the use of natural resources and maximising the value created for the community.
- Develop sustainable and inclusive products and services, derived from the social needs of customers and communities.
- Expand the ecosystem of partnerships and collaborations, to continuously seek out ideas and talent.

This perspective allows the company's objectives to be aligned with stakeholder priorities, through local rootedness and acceptance that will enable the long-term sustainability of the business. For the application of the CSV model, an exhaustive and rigorous methodology is applied to accompany assets and projects, which consists of five phases:



Likewise, in the application of the model in 2023, 989 meetings have been held with 407 stakeholders, of which 32% have been with City Councils and other public institutions, 18% with local associations and 16% with NGOs and Foundations. 60% of the meetings were face-to-face and the rest online. In addition, stakeholders have specific channels to raise their concerns and have them addressed, such as the ethical channel (confidential) or the sustainability mailbox.

#### 4.6.2.1.1. CSV Accompaniment to Business Projects

##### 203-2/413-2

Endesa's Strategic Plan sets out a roadmap towards clean electrification to create affordable, safe, and sustainable energy systems. It frames the support of the shared value creation model in business processes and projects.

The path towards full decarbonisation is therefore continued, as already announced in the Plan presented in 2021, establishing a 10-years advance in the Net Zero Emissions target with respect to the previous plan (from 2050 to 2040). This commitment is retained in the latest strategic plan for 2024-2026. This represents a change in the energy model, with a complete restructuring of the generation mix, which includes the closure of coal plants and an ambitious renewable growth plan. All of this is being done while maintaining the commitment to local communities through support plans. Specifically, Futur-e plans for plant closures and CSV plans in the construction of renewable energy parks, focused on the creation of economic fabric and training for employment.

In this regard, it is worth highlighting the investment of more than 4 million euros in 2023, earmarked for social projects linked to the nodes of just transition, focused on the creation of economic fabric and training for employment. As an example, the more than 15 courses held in Andorra (Teruel) to promote employability in the local environment focused both on the energy sector (training in installation and/or coordination of renewable projects) and on other employment niches linked to the rural area (beekeeping, digitalisation, truffle farming, drone pilot, etc.). To this end, agreements have been signed with 34 just transition municipalities and 49 associations and local entities, which have benefited more than 300 people.

Likewise, in Pego (Portugal) 6 courses have been held to promote employability both in the sector and in other areas of the rural world, through agreements with associations and confederations of farmers and the like, which have benefited more than 250 people.

It should be noted that, in both locations, and through a collaboration signed with Apadrina un Olivo, an oil production and marketing activity is being developed through the recovery of abandoned olive trees and the production of canned products from the orchard with oil made in the traditional style. To this end, 60,000 abandoned olive trees will be recovered in the Andorra-Sierra de Arcos region and 10,000 olive trees in the Pego area.

These actions are not consolidated in the social action report because they cannot be framed within the requirements of the LBG methodology. For more information, see *chapter 4.2. Just Energy Transition*.

Endesa also promotes sustainability in the generation plants that are in operation, within the framework of the implementation of the Sustainable Plant model, established throughout the Enel Group. This consists of the definition of a catalogue of sustainability measures by technology that is subsequently adapted in each installation. It combines measures of energy efficiency, biodiversity, reduction of emissions, waste and materials, efficient use of water and care for people. It is also approached with a focus on the involvement and participation of local communities, to develop the integration of the asset with its environment, foster local development and promote a relationship of long-term commitment and sustainability.

In the area of distribution, during 2023, the creation of shared value focused on ensuring the growth of the business has been boosted. To this end, training has been promoted in the sector

to foster local employment, through Dual Vocational Training developed with medium and low voltage network maintenance contractors. In addition, the integration of distribution infrastructures into the local environment has been favoured by developing participatory urban art competitions.

In the area of marketing, the objective is to strengthen and promote the company's products and services from a sustainable, welcoming, and accessible perspective for stakeholders, promoting the well-being and development of communities. In 2023, the main focus has remained on access to energy (the fight against energy poverty), progress has been made on the objective of inclusion in order to "leave no one behind" through the elimination of physical barriers to access in face-to-face channels; and a "marketing with a cause" pilot project has been carried out to combine the circular economy (recovery of equipment removed from clients' homes) with social activity (canteen grants for children in vulnerable situations).

For more information on social projects linked to CSV *support plans*, see "*Details of sustainability projects*" in this chapter.

#### 4.6.2.2. Emergency Response

Endesa's commitment to communities is reflected not only in the continuous social development actions it carries out in the exercise of its activities, but also in the provision of solutions that alleviate critical situations arising from extraordinary events that significantly affect people's well-being and safety. In this regard, the company has continued to support the social and economic recovery of the island of La Palma, which has been affected since 2021 by the eruption of the Cumbre Vieja volcano. In this line, it is worth highlighting the suspension of billing to customers with evicted households (around 9,000 customers have benefited from this measure in 2023).

The company has also provided equipment to provide access to energy and emergency medical services to displaced people affected by serious humanitarian crises outside our borders.

#### 4.6.2.3. Sustainability Projects: Categorisation

##### 203-2

Sustainability projects are initiatives that are promoted, supported, managed and/or subsidised by the Company voluntarily and aligned with the needs of the environment that generate a benefit for the society in which it operates beyond the normal management of the business.

This approach makes it possible to respond to the strategic priority of "responsible relations with communities" and to address three critical factors identified in the 2023 materiality survey:

- The role that Endesa can play in society as a key agent for its development, with electricity as an indispensable element for maintaining social well-being and the socio-economic development of communities.
- Growing concern for environmental conservation: Growing social awareness that implies a paradigm shift in the management of the sector (clean electrification, decarbonisation, distributed generation, sustainable mobility, energy efficiency, circular economy, etc.).
- Concern about the current economic situation and how rising interest rates and inflation can lead to an increase in the number of people in vulnerable situations, so there is a need to boost access to employment, actions against energy poverty, and social inclusion measures to "leave no one behind".

And according to these challenges, three areas of action have been identified:

- Promotion of active listening of social and institutional agents, establishing collaborative alliances and creating shared value that foster local roots and social trust.

- Sustainable management of the social and environmental impacts generated by our activity, maximizing opportunities and minimising risks, through close, honest, and responsible collaboration with our stakeholders.
- Implementation of sustainability initiatives and projects aligned with the materiality and commitments of the United Nations Sustainable Development Goals, assumed by Endesa, adequately and rigorously informing society of its performance, thus bringing the company closer to the citizen.

Endesa's sustainability projects and initiatives are implemented in the different territories where the Company operates and by each of the company's business areas, as well as by the Endesa Foundation.

Sustainability projects are projects:

- That generate value for the local community and for society in general, responding to both the needs and concerns of stakeholders and the social positioning of the business.
- Focussing specifically on vulnerable groups (vulnerable families, children and young people, elderly, unemployed, people with disabilities, etc.).
- Managed in collaboration with the social representatives of the communities participating in the project, with continuity over time and potential to replicate successful actions.
- With obvious and measurable benefits for society and returns in the company and with a systematic, and transparent accountability adequately communicated to the society.

In 2023, an improvement has been made in the categorisation, monitoring, and quality of sustainability projects, ensuring an optimal link between social needs and the response provided by the company, always articulated in relation to the United Nations Sustainable Development Goals. The new categorisation is as follows:

#### SUSTAINABILITY PROJECTS: CATEGORIZATION OF PROJECTS/INITIATIVES





The main changes from the previous categorisation are as follows:

- **Access to energy:** Energy training and capacity building projects are omitted from this category and moved to the education category. This new arrangement really highlights a priority and strategic issue of the company, which is the provision of affordable, safe, sustainable, and modern energy.
- **Social-economic development:** Employment training projects are excluded from this category and are placed in the category of education.
- **Education:** It includes training initiatives in the energy sector (formerly in energy access), as well as in any niche of knowledge that can foster people's employability (formerly in socio-economic development).
- **Environment and Biodiversity:** Category formerly incorporated as a sub-category of "Community Support" projects. Due to its relevance for both business and stakeholders in terms of its impact on climate change, this project typology has become a specific category of social projects.
- **Supporting Communities:** Environment and biodiversity projects are omitted from this category and are now in a category of their own.

Thus, in 2023 and according to the LBG methodology (methodology for measuring social investment that incorporates economic and in-kind investment, volunteer hours and management costs), Endesa has invested 16.2 million euros, benefiting almost 0.8 million people. This represents a similar level of investment to social projects compared to the previous year, but more resources have been allocated on average to each beneficiary, so the impact of the projects has increased.

It should also be noted that this improvement reorders the commitments of beneficiaries acquired in previous years, so that new commitments are established in accordance with these criteria, as follows:



In addition, initiatives with low value for the beneficiary are reduced in favour of projects that truly transform people's lives in a positive way, even if this means a reduction in the volume of projects.

#### 4.6.2.4. Details of Sustainability Projects

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##### 4.6.2.4.1. Energy Access Projects



Endesa is committed to the development and well-being of society, which cannot happen without having access to a basic good such as energy. In this sense, the company promotes initiatives, aligned with its "core business", that minimise economic barriers to vulnerable groups, ensure technological or infrastructure accessibility and promote energy efficiency and raise awareness about its use.

In 2023, Endesa invested close to 3.5 million euros in social projects in this area, representing 22% of the total investment, with the management of 88 initiatives that have benefited close to 250,000 people.

It should be noted that more than 146,000 beneficiaries correspond to projects aimed at minimising economic barriers preventing access to energy for vulnerable groups, as a result of a commitment to alleviating situations of energy poverty through training, advice and stopping supply cuts for people with payment defaults, beyond that required by law.

Finally, it should be noted that, additionally, access to energy has been facilitated through the implementation of energy efficiency measures in the surroundings of our renewable assets, such as efficient lighting, donation of solar panels or electric mobility. In this regard, 18 projects have been undertaken that have benefited nearly 80,000 people.

22% of Endesa's social investment in Spain and Portugal, according to the LBG methodology, has been allocated to energy access projects.

Some of the most relevant projects are highlighted:

#### ENERGY ACCESS PROJECTS

Subcategory	Project	Description	2023 Results	Scope	Project partners
Reducing energy poverty	<b>Workshops against energy poverty</b>	Training programme on energy bills, social bonus, and energy efficiency, aimed at NGOs and social services that serve families in vulnerable situations so that they can better carry out their advisory and support work.	<b>265 institutions</b> <b>52,925 people in energy poverty have received advice</b> <b>Course Assessment: 4.3/5</b>	Andalusia, Aragon, Balearic Islands, Canary Islands, Catalonia, Castilla y León, Ceuta, Extremadura, Galicia, Madrid and Melilla	ACA EAPN-ES
	<b>Energy Volunteering</b>	Support for families in vulnerable situations to minimise barriers to energy access through training in bill optimisation, social bonus and energy efficiency, personalised advice on	<b>172 workshops held with nearly 1,800 attendees</b> <b>122 families advised and accompanied in obtaining the social bonus</b>	Andalusia, Balearic Islands, Canary Islands, Catalonia, Extremadura, and Madrid.	Red Cross Ecodes

## ENERGY ACCESS PROJECTS

Subcategory	Project	Description	2023 Results	Scope	Project partners
		how to reduce their energy bills and repairing situations of risk and/or relevant shortages in the most vulnerable households.	<b>1,738 energy efficiency kits delivered</b>  <b>21 home renovations</b>  <b>33 basic necessities delivered (thermos flasks, ceramic hobs, stoves, etc.)</b>		
Energy Awareness	<b>Energy Auditors" workshops for young students</b>	Workshops aimed at secondary school students with the objective of training them to carry out energy audits in their homes, through the provision of knowledge about electricity bills, the electricity sector, and the measures to be implemented at home to reduce energy consumption. They are also given a micro-efficiency kit.	<b>669 students</b> <b>22 workshops held</b>	Andalusia, Balearic Islands, Canary Islands and Ceuta	Secondary schools.
Equipment	<b>Provision of equipment to improve energy efficiency</b>	Installation of self-consumption, donation of photovoltaic kits, LED lighting and tubes, electric vehicle chargers, etc. to cover the different energy needs of the communities.	<b>Approximately 6,390 beneficiaries</b>	Aragon, Castilla La Mancha, Castilla y León, Ceuta and Extremadura	Municipalities and social institutions in 15 locations

### 4.6.2.4.2. Social and Economic Development Projects



Endesa is committed to the socio-economic development of the communities in which it operates, promoting initiatives that foster their progress through the generation and development of the local economic fabric and programmes that promote job creation.

This area includes projects that promote the economic development of communities, job creation and support for local economic and business activities, with a special focus on tourism.

In 2023, the company invested more than 658 thousand euros, according to the LBG methodology, in this type of initiative, representing 4% of the total investment, with the management of 59 projects that have benefited nearly 64,000 people. There has been a decrease compared to the previous year both in number of beneficiaries (138,000 people in 2022) and in investment (2.3 million euros last year) due to the reorganisation of the perimeter of this category, which shifts employment training projects to the education category. Likewise, there is a

reconsideration of the typology of employment beneficiaries, where only those who have obtained concrete job opportunities are considered.

4% of Endesa's social investment in Spain and Portugal according to the LBG methodology, was allocated to social-economic development projects.

Some of the most relevant initiatives are highlighted:

#### SOCIO-ECONOMIC DEVELOPMENT PROJECTS

Subcategory	Project	Description	2023 Results	Scope	Project partners
Support for entrepreneurs and job creation	Solar Apiary	Installation of apiaries around four renewable generation parks, which creates added value for the local community by not competing for land use but sharing it and promoting biodiversity. It is also used as a training space for entrepreneurs and a tourist attraction that promotes local economic development.	<b>4 jobs created</b> <b>Estimated 2,912 beneficiaries in the local environment.</b>	Andalusia, Aragon, Castilla La Mancha and Castilla y León	Association of Beekeepers of Leon, Loramiel, Nomads of Honey, La Cerrada
Local economic activities	Assignment for use of company assets	During 2023, Endesa has ceded the use of multiple assets and facilities of the company, in favour of City Councils and other social institutions, in order to promote the social and economic development of the communities, promote tourism activity in the area and boost the local economy. For example, the cession of land for villagers to feed livestock in the fields around the San Agustín hydroelectric power station; the cession of 3,000 m <sup>2</sup> of the La Reginosa de Tarifa cattle track; the cession of spaces to the Alcalá de Río Town Council for use as a recreational area and access to vulnerable peri-urban parks; or the rehabilitation of heritage areas, such as the cave houses of Moyuela, to increase cultural tourism in the area. are some of the highlights of the project.	<b>More than 50,000 local beneficiaries</b>	Rural villages in Spain (Susqueda, Osor, Sant Hilari, Pont de Suert, Cortes de la Frontera, Alcalá del Río, A Capella, As Pontes, A Veiga, Riba-Roja de Ebro, Pallars Jussá, Camarasa, Nerja, Andorra, O Barco, Herrera de los Navarros, among others)	Town councils of Oimbra, Susqueda, Asociación Hume, Pont de Suert, A Capella, A Veiga, Espot, A Venatoria, As Pontes, Town council O Barco, Moyuela, Mequinenza, Alcañiz, Fundación Fundesplai, Montejaque Pinos de Genil, Mataberbreras, Guillena, Club Fluvial el Barco, Cabildo Insular La Palma, Ánforas de Mar
Development & Innovation	Alba Project for Digitalisation and Rural Entrepreneurship	An initiative that aims to meet two of the most demanded social needs in rural areas: improving digitalisation through access to broadband connections and specialised support in the development of disruptive entrepreneurial initiatives that can be implemented in the area. Endesa has installed four fibre rings and at least five	<b>12 local entrepreneurs</b> <b>Approximately 800 beneficiaries</b>	Castilruiz, Fuentestrún, Mataberbreras and Trévago	Municipalities of Castilruiz, Fuentestrún, Mataberbreras and Trévago

## SOCIO-ECONOMIC DEVELOPMENT PROJECTS

Subcategory	Project	Description	2023 Results	Scope	Project partners
		public Wi-Fi points in each town hall that will become municipal property. At the same time, a programme is being developed to capture talent for the development of innovative initiatives to be undertaken in the area.			

### 4.6.2.4.3. Education Projects



Endesa is committed to promoting access to inclusive and quality education, by supporting initiatives that promote the improvement of educational skills, the resources of education centres and, above all, training for employment. This last subcategory includes both training in the energy sector and in any niche of knowledge that can promote the employability of people, which is a priority for the company, in order to create value in the communities where it operates. In addition, especially in this type of project, there is a desire to promote initiatives that generate a transformation in people's lives, with a high contribution of value and an effective contribution to obtaining stability and a professional future.

In 2023 and according to the LBG methodology, the company has invested close to 5 million euros in this type of projects (1.8 million euros in 2022), representing 31% of the social investment with the management of 98 actions (36 in 2022) that have benefited more than 37,000 people.

In 2023, economic investment in the education projects of both Endesa and the Endesa Foundation amounted to 31% of investment according to the LBG methodology.

In the field of education, multiple initiatives have been developed, among which the following stand out:

## EDUCATION PROJECTS

Subcategory	Project	Description	2023 Results	Scope	Project partners
Job training	Dual Vocational Training: Dual vocational training in low- and medium-voltage distribution networks	A nationwide project that seeks to increase access to qualified local labour with specific training in Safety. The fact that it is Dual VET allows young people to develop their learning both in the classroom and in the workplace.	<b>285 people trained.</b>	Ministries of Education of Aragon, the Balearic Islands, Catalonia, Andalusia, Extremadura, the Canary Islands and 27 public secondary schools.	City councils and other public institutions
	ASAJA: Support for rural digitalisation and training courses	The objective is to train young farmers to promote rural entrepreneurship and improve sustainability in municipalities where Endesa's renewable projects are being developed, thus creating shared value	<b>790 people trained</b>	Andalusia, Aragon, Balearic Islands, Castilla La Mancha, Castilla y León,	ASAJA

## EDUCATION PROJECTS

Subcategory	Project	Description	2023 Results	Scope	Project partners
		between the primary and industrial sectors.		Extremadura and Murcia	
	Collaboration with the John XXIII Foundation	Endesa and the Juan XXIII Foundation have developed an ambitious, inclusive, and sustainable project with the aim of training people in psychosocially vulnerable situations, in composting and clearing in different municipalities throughout Spain where Endesa currently has photovoltaic energy projects.	<b>172 people trained</b>	Andalusia, Aragon, Balearic Islands, Castilla La Mancha, Extremadura, Murcia	JUAN XXIII FOUNDATION, ESMENT FOUNDATION, TAS FOUNDATION, ADIPA, PROLAYA, La Casa Grande Foundation, Valentia, Fuente Agria Foundation, Cadisla, José Moya Center (Totana), ASPAJUNIDE (Jumilla)
	Solar panel installation training for unemployed people	The renewable energy plants under construction, include theoretical and technical training in the installation of solar panels to unemployed people from the local community. It aims to promote the employability of these students, adapting the training to the requirements needed by the contractors for the incorporation of personnel.	<b>990 people trained</b>	Andalusia, Extremadura, and Portugal	Municipalities of Carboneras, Fuente de Cantos, Salteras, Iznalloz, Piñar, Valencina de la Concepción and Abrantes (Portugal). Regional Government of Andalusia and Freguesia Pego Regional Government
Education plans and improvement of educational competences	<i>BeTalent</i> - Endesa Intern Network	In line with its commitment to young talent, <i>BeTalent</i> is Endesa's community of interns, which encompasses all those who are working on an internship at Endesa, regardless of the workplace where they do so. The aim is to enhance the profiles of these people, with activities, workshops, and events so that they can have greater personal and professional development.	<b>174 beneficiaries</b>	Spain	Spanish Universities
	<i>Eco-Innovation Awards</i>	Creation of the Endesa Foundation Innovation Award to promote ecological culture and encourage eco-biosocial competence in the classroom, the protection of biodiversity and collaboration with environmental agents.	<b>6,010 participating students and teachers</b>	Spain	European Foundation for Society and Education + 162 schools in Spain
Transfer of educational material	Donation of materials to support education	During 2023, Endesa has facilitated the use of material that promotes and contributes to quality education. Examples include the transfer of material from the closure of the Litoral power plant to the University of Almeria, the purchase of school supplies for students from vulnerable families in the HJAR NHA community, the assembly of backpacks for associations in different Endesa territories that help	<b>1,617 beneficiaries in education centres</b>	Andalusia, Balearic Islands, Canary Islands, Catalonia, Madrid, and northern Morocco	Universities and schools

## EDUCATION PROJECTS

Subcategory	Project	Description	2023 Results	Scope	Project partners
		young people at risk of social exclusion to have decent access to education, and the transfer of lockers and 2 tonnes of copper and bronze to the Ibiza School of Art.			

### 4.6.2.4.4. Environment and Biodiversity Projects



New project category (previously categorised as a sub-category of "Community Support"), derived from the reordering of the typologies of initiatives, which highlights the relevance of environmental protection and biodiversity for the company. This category includes projects that, on a voluntary basis, promote the dissemination, conservation, research, recycling, regeneration, and improvement of the environment in general and biodiversity in particular for the conservation and improvement of the environment of the communities. In 2023, Endesa managed 55 initiatives (44 in 2022) to which it allocated more than 3.8 million euros, according to the LBG methodology.

Twenty-four percent of Endesa's social investment in Spain and Portugal, according to LBG methodology, has been allocated to environmental and biodiversity projects.

Some of the most relevant projects are highlighted:

## ENVIRONMENT AND BIODIVERSITY PROJECTS

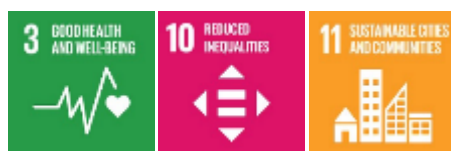
Subcategory	Project	Description	2023 Results	Scope	Project partners
Environmental research and/or outreach	Ornithological Yearbook of the Balearic Islands	Edition of a publication that collects ornithological records for the conservation of the Biosphere. The edition incorporates, in addition to the usual ornithological records, the following articles: "The first photographic census of the black vulture <i>Aegypius monachus</i> in Mallorca", and "New data on reproduction and the occupation of nest boxes by the Mediterranean flycatcher <i>Muscicapa tyrrhenica - subspecies balearica</i> in Mallorca".	<b>5,100 beneficiaries according to the official circulation of the guide.</b>	Balearic Islands	Grup d'Ornitologia Balear
	Conservation of the eagle owl around Endesa's medium and low voltage power lines.	The aim of the project is to obtain data on the behaviour, habits, reasons, and exact points of mortality of the eagle owl in four areas of Catalonia.	<b>As a result, in 2023 18 individuals have been tagged, and successful monitoring of one nest has been carried out. No individuals were killed as a result of line incidents.</b>	Catalonia	Birding Natura

## ENVIRONMENT AND BIODIVERSITY PROJECTS

Subcategory	Project	Description	2023 Results	Scope	Project partners
	Conservation measures for the Black Vulture ( <i>Aegypius monachus</i> ) population and other scavenger birds of prey in Endesa's distribution networks	The project aims to overcome food shortages for scavenging birds, especially the black vulture, by supporting their reintroduction.	<b>Action has been taken on 152.3 km<sup>2</sup> for the conservation of the species.</b>	Catalonia	Trenca & Rural Nature
Regeneration of natural areas	Endesa Forest	Reforestation in areas recently damaged by fire with native and resilient species using direct seeding and planting techniques. The project has involved local communities, prioritising young people, the unemployed, women, people over 45 years of age or people at risk of social exclusion.	<b>More than 101 hectares restored, and more than 50,000 trees introduced.</b>	Doñana (Andalusia), Teruel, La Atalaya (Madrid) and Palma de Mallorca (Balearic Islands)	Sylvestris, AUDECA, Brown Bear Foundation
	Forest of the Zaragozaños	The forest aims to plant 700,000 trees and plants in the municipality of Zaragoza by 2030.	<b>Planting of around 12,000 trees and shrubs</b>	Zaragoza	Zaragoza Council and ECODES

<sup>1</sup>For more information, see section 4.5.5.3 *Environmental Restoration* in the Nature chapter.

### 4.6.2.4.5. Projects to Support Local Communities



Endesa supports Local Communities through various types of projects aimed at improving the well-being of people and communities, maintaining their cultural identity, preserving their heritage, sports, promoting healthy habits and supporting the coverage of basic needs.

As part of these actions, Endesa makes use of its knowledge and awareness of the circumstances in each location and collaborates with the main social organisations in the area in which it operates, supported by its regional units. This line of action has had an investment of 20% of the budget according to LBG, which corresponds to more than 3.2 million euros, 59 projects managed and about 124 thousand beneficiaries. The reason for the decrease in investment and beneficiaries compared to 2022 (7.5 million euros according to LBG methodology and more than 0.5 million beneficiaries last year) corresponds to the reordering of the former sub-category "Environment and Biodiversity" which has become a category outside the "Support to Communities" projects.

20% of Endesa's social investment in Spain and Portugal, according to the LBG methodology, has been allocated to projects to support local communities.



#### 4.6.2.4.5.1. Projects to Cover Basic Needs

In 2023, Endesa carried out thirteen actions aimed at alleviating critical situations for more than 3,000 people at risk of exclusion. We highlight the following initiatives:

##### PROJECTS TO COVER BASIC NEEDS

Subcategory	Project	Description	2023 Results	Scope	Project partners
Support for families and social services	Natzaret Foundation	Support which aims to support children from vulnerable families who cannot cover the basic needs of their children.	<b>67 children and adolescents</b>	Balearic Islands	Natzaret Foundation
Economic integration for local communities	Solidarity food collection campaigns	Endesa Foundation initiative to collect food for families at risk of social exclusion for the Food Bank.	<b>1,500 kg of food collected</b> <b>89 families assisted</b>	Andalusia, Aragon, Balearic Islands, Catalonia, Extremadura, and Madrid	Fesbal
	Food Purchase Campaigns	Contribution of financial resources by Endesa employees for the purchase of food for 66 families in vulnerable situations in Las Palmas de Gran Canaria.	<b>66 families</b>	Canary Islands	"Te Acompañamos" Association

#### 4.6.2.4.5.2. Arts and Culture Projects

In 2023, Endesa has maintained its support for initiatives to maintain the cultural identity of communities, bring art closer to society and conserve artistic heritage. In this regard, 14 projects have been carried out with an investment of more than 2.3 million euros, which, according to LBG methodology, are estimated to have benefited more than 100,000 people.

Among the most relevant initiatives carried out, the following stand out:

##### ARTS & CULTURE PROJECTS

Project	Description	2023 Results	Scope	Project partners
Art with Energy	A project that, in a collaborative manner, seeks to integrate distribution infrastructures into the local environment through participatory urban art competitions, where different artists create murals as a way of raising awareness and making sustainability visible.	<b>Estimated 27,000 beneficiaries</b>	Andalusia, Aragon, and Catalonia	City Councils of Granada, Zaragoza and L'Hospitalet de Llobregat
Cultural heritage lighting	An initiative of the Endesa Foundation which includes artistic and efficient lighting projects for Spain's most important historical and artistic monuments. The enhancement of the artistic heritage attracts tourism development in the area.	<b>Illumination of 9 historic buildings</b>	Andalusia, Canary Islands, Castilla La Mancha, Catalonia, Galicia and Portugal	Orfeo Catalá Foundation, Palau de la Música Catalana, ProRAE Foundation, Archbishopric of Madrid, Naval Museum Mancha, Foundation, Bishopric of the Diocese of Córdoba, Diocese of Jerez de la Frontera and of Mondoñedo (Ferrol).
Marcos de Mira	A project by the Endesa Foundation that aims to bring art closer to groups in vulnerable situations, with fewer possibilities of access to culture, art, and museums.	<b>150 people in vulnerable situations</b>	Madrid	Museo del Prado
Cession of elements to the creation of	During 2023, Endesa and the Endesa Foundation have granted the use of elements intended for the creation of	<b>Estimated 22,000 beneficiaries</b>	Moyuela, Aragon	Andorra-Sierra de Arcos region, Moyuela City Council, and entities throughout the national territory

#### ARTS & CULTURE PROJECTS

Project	Description	2023 Results	Scope	Project partners
museums in towns in Spain	museums in different locations in Spain. For example, 11 items were donated to the Mining Museum in Andorra and 16 items were donated to the electricity museum of the cave house in Moyuela.			

#### 4.6.2.4.5.3. Health, Risk Prevention and Safety Projects

In 2023, more than 689,000 euros have been invested in projects of this type according to LBG methodology (compared to 340,000 euros in 2022) with 27 initiatives that have benefited more than 14,000 people.

The following are some of the most significant initiatives:

#### HEALTH, RISK PREVENTION AND SAFETY PROJECTS

Project	Description	2023 Results	Scope	Project partners
Supporting Cardiovascular Disease Research	Promotion of scientific research of excellence that prioritises research into cardiovascular diseases, especially in terms of prevention, research, and teaching, promoting scientific advances in this area in Spain.	<b>Estimated &gt;2,000 beneficiaries</b>	Spain	Pro Cnic Foundation
Donation of defibrillators	Donation of defibrillators to social entities in the areas surrounding renewable plants.	<b>Estimate: 596 beneficiaries</b>	Andorra and Aragon	ATADI and the Town Councils of Minglanilla and Granja de Iniesta

#### 4.6.2.4.5.4. Sport Promotion Projects

In 2023, around 173 thousand euros were invested in projects of this type according to LBG methodology (compared to 340 thousand euros in 2022) with 4 initiatives that have benefited more than 2,000 people.

Of the actions carried out, we highlight the support of basketball for people with disabilities in the celebration of the European Championship of men's and women's wheelchair basketball; or the financing of nine adapted basket social sports schools in Spain and another nine basketball social schools in Spain, one football school in Portugal and another football school in Morocco, with the aim of transmitting social and educational values to native and immigrant children, regardless of their socio-economic status, emphasising the value of equality.

#### 4.6.2.4.5.5. Corporate Volunteering

With its commitment to corporate volunteering, Endesa cooperates in the development of numerous social development projects with the involvement of its employees. Corporate volunteering acts as a catalyst for the other initiatives that increases the closeness and involvement of the company with its stakeholders and brings development and commitment to the participants. In addition, it constitutes a firm commitment to the development of the communities in which it operates, by contributing with its own personnel in activities that combine the interest of the Company and its stakeholders, such as facilitating access to energy to groups in vulnerable situations, promoting employability and quality education, or improving the environment.

In 2023, corporate volunteering has been boosted in the company, mostly managed through the Endesa Foundation, increasing both the number of activities (63% more) and the number of

volunteers (21% more than in 2022). A total of 49 volunteer projects have been developed, in which 1,288 volunteers have participated during working hours and 1,173 after hours, giving a total of 2,461 volunteers (2,030 in 2022). Volunteers dedicated 10,828 hours of their time during working hours, valued at 437,449 euros, in addition to 10,445 hours offered by volunteers in their free time.

In the projects in which Endesa volunteers have collaborated in 2023, more than 94,000 people have been benefited, including those associated with environmental projects.

Below are some of the most relevant initiatives:

#### VOLUNTEER PROJECTS

Subcategory	Project	Description	2023 Results	Scope	Project partners
Access to energy	Rural Mobile Office	Information talks aimed at the primary sector with the aim of optimizing their electricity bill and informing about measures to reduce energy consumption	<b>93 beneficiaries</b> <b>6 volunteers</b> <b>16 hours during working hours</b>	Andalusia, Aragon, Balearic Islands and Castilla La Mancha	ASAJA
Education	Changing Lives	Endesa Foundation programme which aims to improve the employability of people at risk of exclusion by providing them with the necessary tools to integrate into the world of work. Part of this training is given at reinforcement schools, where those providing the training are Endesa employees.	<b>1,232 people trained</b> <b>55 Endesa volunteers</b> <b>250 hours during working hours</b>	Barcelona, Madrid, Seville, Zaragoza and Mallorca	Integra Foundation
	SDGs in school	Dynamic educational proposal of the Endesa Foundation to share the SDGs and the 2030 Agenda with schools and in particular among primary school children, and thus promote their social participation and active citizenship.	<b>2,486 children trained.</b> <b>37 Endesa volunteers</b> <b>200 hours during working hours</b>	Andalusia, Aragon, Canary Islands, Balearic Islands, Catalonia	COMPANIES4SDGs
Environment and biodiversity	EcoReto'23	Environmental program for the recovery of 8 ecosystems carrying out waste clean-up work.	<b>Estimate:</b> <b>1,135 local beneficiaries</b> <b>187 Endesa volunteers</b> <b>748 hours outside working hours</b>	Madrid, Zaragoza, Barcelona, Seville, Palma, Las Palmas, Coruña, Malaga	SEO bird life Soy Mamut
Supporting local communities	Oído Cocina	These days are organised by the Endesa Foundation, where volunteers cook in senior citizens' centres with them.	<b>27,3% elderly</b>	91 Endesa volunteers 228 hours during business hours	Andalusia, Catalonia, and Madrid

#### 4.6.2.5 Quantification of Endesa's Social Investment in the Community

203-1/201-1

For the fifteenth consecutive year, Endesa presents its social action report according to the LBG

methodology.

Endesa has been a member of the London Benchmarking Group (LBG) Spain working group since 2008. This methodology enables the company's social development investment in the society to be measured, managed, and evaluated and its contributions, achievements and impacts disseminated.

In 2023, and according to the LBG methodology, Endesa contributed 16.2 million euros in social investment to the communities in the areas where it operates, 14.2 million euros of which were monetary or in-kind contributions.

#### ENDESA'S INVESTMENT IN SOCIAL DEVELOPMENT PROJECTS 2023 (THOUSANDS OF EUROS)

	Money	In kind	Time Spent	Administrative Expenses	Total
Cross-cutting areas and territorial centres <sup>1</sup>	6,233	0.4	339	628	7,201
Lines of Business	6,428	1,496	98	1,034	9,055
<b>Total Iberia</b>	<b>12,661</b>	<b>1,496</b>	<b>437</b>	<b>1,662</b>	<b>16,256</b>

<sup>1</sup>Includes budget allocation made from the transversal areas to the Endesa Foundation.

#### ENDESA'S INVESTMENT IN SOCIAL DEVELOPMENT PROJECTS (LBG METHODOLOGY)

	2021	2022	2023
Cross-cutting areas and territorial centres <sup>1</sup>	55%	50%	44%
Lines of Business	45%	50%	56%

<sup>1</sup>Includes budget allocation made from the transversal areas to the Endesa Foundation.

The focus continues to be on optimising and improving management, exploiting synergies, involving employees, and minimising costs. With the 16.2 million euros (16.9 million euros in 2022) provided, according to LBG methodology, 359 projects have been carried out, reaching nearly 0.8 million people (1 million people in 2022). The reason for the decrease in the number of beneficiaries, with a similar investment, is due to the increase in the quality, intensity, and impact of the projects, through actions that really transform people's lives in a positive way. In this respect, the average investment per beneficiary has increased from 16 euros in 2022 to 21 euros in 2023, according to LBG methodology, in 2023 (31% more).

The level of investment in the social field in 2023, considering only the economic and in-kind contribution, represented 1.8% of the net income of continuing operations attributable to Endesa's shareholders, increasing the level of ratio reached last year. In 2022 it was 0.6% due to an increase in net income.

#### CONTRIBUTION TO SOCIAL DEVELOPMENT PROJECT BY CATEGORY (LBG METHODOLOGY)

	2021	2022	2023
Education	15%	13%	13%
Health	3%	2%	2%
Economic development	25%	26%	32%
Environment	29%	25%	24%
Arts & Culture	10%	9%	7%
Social welfare	18%	25%	14%
Humanitarian aid	0%	0%	8%

#### CONTRIBUTION TO SOCIAL DEVELOPMENT PROJECT BY TYPE OF CONTRIBUTION (LBG METHODOLOGY)

	2021	2022	2023
One-off contribution	0%	0%	8%
Social investment	53%	48%	45%
Business-aligned initiative	47%	42%	47%

Regarding the nature of the projects, the LBG methodology distinguishes between social investment initiatives, which consist of projects on strategic issues of the company with long-term commitment, and initiatives aligned with the business, which seek to promote the interests of the business by supporting social causes.

In 2023, a balance has been maintained between both categories, with almost 7.4 million euros in social investment and 7.6 million euros in business-aligned initiatives, which in turn reflects the long-term strategic commitment to the communities in which it operates under the approach of creating shared value between the company and the local community. The investment in one-off contributions refers, almost entirely, to a one-off support project in response to an emergency situation, carried out in 2023.

On the other hand, if we look at the internal classification of the projects (explained in the previous section), the distribution of the investment according to the LBG methodology has been as follows:

<b>TOTAL CONTRIBUTION LBG: MONEY + IN KIND + TIME + MANAGEMENT COSTS</b>				
	2020	2021	2022	2023
Access to energy	7%	18%	31%	21%
Socio-economic development	29%	19%	14%	4%
Education	13%	13%	11%	30%
Environment	---	--	--	25%
Support for local communities	50%	50%	44%	20%
<b>TOTAL (million euros)</b>	<b>33.68</b>	<b>13.7</b>	<b>16.9</b>	<b>16.2</b>

There has been a reorganisation of the perimeter of the categories that organise the types of social projects managed by the company, so the 2023 result is not comparable with previous years at the category level. However, it is highlighted that, although distributed differently, the total investment in the projects remains similar to that made in 2022.

Finally, it should be noted that in 2023 there has been no physical displacement of people from local communities as a result of the company's activities.

#### **4.6.2.6 Achievements, Impacts and Returns**

##### **203-2/413-2**

In 2023, the implementation and development of the methodology that allows for the rigorous estimation of the achievements, impacts and returns of social development projects in communities has been maintained. To this end, a tool defined under the LBG framework is used, as a result of Endesa's participation in the LBG Spain working group, whose objective is to establish the premises, criteria, and variables to be able to estimate this information.

On the other hand, progress has been made in the application of the system for measuring the impacts and returns of projects at a quantitative level, through indicators that allow the monetisation of the benefit provided to society (SROI method) and the possible return for the company (own method).

##### **4.6.2.6.1 Achievements**

##### **413-2**

Achievements are the quantified or estimated result of an investment made through a social development project, in a given period of time.

Almost 0.8 million beneficiaries in the 359 social development projects organised in 2023

In 2023, there was an estimated total of 767,970 direct beneficiaries of the 359 social development projects carried out by Endesa. This is a decrease compared to the previous year (1,054,452 beneficiaries in 2022), due to the new approach to social projects that aims to have a greater impact on people's well-being and development. This means that, with a similar investment, there are fewer beneficiaries, but they have a clear improvement in their quality of life as a result of the projects.

#### TYPOLOGY OF BENEFICIARIES FROM THE PROJECTS (%)

	2021	2022	2023
People in a vulnerable situation/unemployed	21	18	28
People with disabilities/health problems/users of medical services	7	1	1
Children & Adolescents	1	2	0.4
Elderly people	3	4	0.3
Students	10.5	9	7
Entrepreneurs/companies/SMEs	5	2	1
Local community	37	39	49
Society at large	3	11	13

In 2023, 49% of these corresponded to local communities, the result of the company's commitment to the creation of value in the area surrounding its assets and projects. Next, with 28% are people in vulnerable situations (mostly corresponding to beneficiaries of energy access projects focusing on energy poverty) and the unemployed (18% of these projects have been aimed at improving people's employability through employment training programmes).

In 2023, 96% of social initiatives were managed through strategic alliances with public and private bodies, a sign of Endesa's commitment to contributing to projects and establishing relationships with a vocation for durability. A total of 1,299 public and private institutions have collaborated to develop the 359 projects that have been carried out in the social field. 65% were primary and secondary schools, 17% public institutions and 15% NGOs and foundations of a social nature, as well as social and environmental platforms.

#### TYPE OF INSTITUTIONS WITH WHICH WE HAVE COLLABORATED (%)

	2021	2022	2023
Social & Environmental Platforms	2	8	5
Cultural/Sports Entities	1.5	3	0.5
Local Businesses	0.3	2	1.4
Public Institutions	4	11	17
Primary and secondary schools	83	67	65
Universities	1	1	1
NGO/Social Foundation	8	8	10
Health institutions/law enforcement agents	0	0	0.1
Other	0.2	0	

Considering the multiplier effect, as an additional result of Endesa's social projects, other agents have contributed with resources to the company's projects for a total amount of 257,202 euros. 92% correspond to contributions from external collaborators and 8% to contributions from Endesa employees.

#### 4.6.2.6.2 Impacts

##### 413-2

Impacts represent the estimate of how the initiative has influenced the reality of the agents involved.

More than 315.000 people (220.000 people in 2022) achieved a positive and relevant transformation in their lives as a result of the initiatives carried out by Endesa. This corresponds to 41% of the total beneficiaries of the projects (21% in 2022). Subsequently, 45% (46% in 2022) achieved an improvement and 14% (33% in 2022) were made more aware thanks to the projects. Therefore, the quality of social projects has increased with the aim of pursuing a significant impact on the well-being and development of people's lives. In contrast, there has been a decrease in awareness-raising projects, with low value contribution, from 33% in 2022 to 14% in 2023.

#### BENEFITS OBTAINED AS RESULTS OF THE PROJECTS IN THE BENEFICIARIES (%)

	2020	2021	2022	2023
They achieved a transformation as a result of the initiative	40	28	21	41
They got an improvement as a result of the initiative	41	43	46	45
Their awareness was raised as a result of the initiative	19	29	33	14

It is estimated that the benefits obtained by the 1,299 institutions with which Endesa has collaborated in 2023, for the management of the social projects it has carried out, have resulted in 100% of cases in an improvement in their services or an increase in their capacities, 84% in an extension of the scope of their activities and 63% in an increase in their recognition. 48% of institutions reached these three results simultaneously.

#### BENEFITS OBTAINED FOR THE COLLABORATORS AS A RESULT OF THE PROJECTS (%)

	2020	2021	2022	2023
Their services or capabilities improved	99	99	96	100
They have improved their management systems	33	44	53	47
They expanded the scope of their actions	64	71	81	84
They have expanded their capacity to employ people or volunteers	3	4	11	12
They increased their recognition	59	75	60	63

With regard to impacts, the typologies and level of positive impacts on the environment and biodiversity were assessed in the 55 social development projects that addressed this issue. The highest impact has been in projects to regenerate the environment in specific areas, as well as biodiversity conservation actions, with a special focus on endangered species. Likewise, the medium and high impacts have been maintained in the rest of the projects, both for the expansion of knowledge and educational and scientific dissemination, as well as for awareness on environmental issues compared to recent years.

#### ESTIMATION OF THE TYPE AND LEVEL OF IMPACTS OF ENVIRONMENT AND BIODIVERSITY PROJECTS (%)

		2019	2020	2021	2022	2023
Regeneration of the environment and biodiversity	High Impact	71	80	80	78	69
	Medium Impact	19	15	6	16	12
	Low Impact	10	5	14	6	20
Knowledge expansion and dissemination	High Impact	62	40	56	53	52
	Medium Impact	33	60	39	41	43
	Low impact	5	0	6	6	5
Raising awareness of environmental issues	High Impact	50	44	42	57	42
	Medium Impact	20	33	33	14	18
	Low Impact	30	22	25	29	39

In addition, it should be noted that, as a result of the management of social projects, the company's equipment and components have been given a second life, equivalent to 1,971 tonnes of materials, which have been made available to public and private entities.

In addition, some 253 hectares of land have been shared with the communities for different economic and social uses.

#### 4.6.2.6.3 Returns

We understand returns as the benefits that the company can receive from the management of social projects, beyond the social licence.

It has been estimated that there have been 908 positive returns in the company from the 359 social projects carried out in 2023. These returns have had the greatest impact on improving stakeholder relations and perceptions (39%) and, secondly, on providing operational improvements (26%). These two returns coincide with the two main estimates in 2022. In addition, it should be noted that the increase in the return on operational improvements is due to advances in the application of the shared creation model.

##### ESTIMATED RETURNS FOR ENDESA FROM THE SOCIAL DEVELOPMENT PROJECTS CARRIED OUT





			2019	Total 2019	2020	Total 2020	2021	Total 2021	2022	Total 2022	2023	Total 2023
Generation of benefits in human resources	High	29		43		35		43			67	
	Medium	36	14%	16	8%	1	6%	8	7%	7		8%
	Low	16		4		1		5		3		
Improved relationships and perceptions with stakeholders	High	85		231		175		78			77	
	Medium	87	33%	33	40%	31	39%	147	42%	172		39%
	Low	27		43		39		103		105		
Generating business	High	16		1		17		17			17	
	Medium	12	10%	21	7%	9	8%	5	4%	3		4%
	Low	30		32		25		7		18		
Providing Operational Improvements	High	10		16		38		41			73	
	Medium	34	12%	32	8%	59	18%	69	25%	65		26%
	Low	25		11		16		84		101		
Generating an increase in brand recognition	High	62		154		101		50			24	
	Medium	58	31%	56	36%	46	29%	66	22%	78		22%
	Low	68		67		31		51		98		



### 4.6.3. Fostering a Sustainable Supply Chain

Material Topics	Plan	SDGs
Sustainable Supply Chain		

The targets of the Sustainability Plan (ESP) 2024-2026 and the closure of these indicators are shown below.

SDGs	Activities	Units	2022	2023	ESP Objectives 2024-2026	
					2024	2026
	Verification of environmental, human rights and safety aspects in the supplier qualification process	% of Qualified Suppliers	100	100	100% in 2024-2026	
	Promotion of the qualification system: Volume of purchases made from qualified suppliers	% of the volume of purchases made from qualified supplier <sup>1</sup>	95	99.8	>95	>95
	Tenders that include sustainability criteria	% of the value of tenders as of the total	- <sup>2</sup>	95	>90	>90
	Audits of contractors in labour law and health and safety matters.	% contractor companies assessed	12	12	12	14

<sup>1</sup>Qualified suppliers in the family subject to recruitment  
<sup>2</sup>Target redefined in 2023

#### Objectives

-  New
-  Redefined objective

### Actions to highlight

1. During 2023, 95% of the tendered amount<sup>42</sup> (1,089 million euros) included sustainability criteria related to environmental and social aspects. (certifications, health and safety, social aspects, circular economy, environment)
2. In 2023, contracts were signed with 438 suppliers (365 local and 73 foreign) whose contracted amount individually exceeds a total of 1 million euros.

The scope of the information provided in this chapter covers both Endesa, S.A. and its investee companies, the same as in the Legal Documentation reports. For more information, see sections 2.1.2.6. *Organisational structure* and 2. *Coverage of the report (ANNEX I: Methodology for the*

<sup>42</sup> Value of tenders for which sustainability criteria may be included.

preparation of the report). Variations, if any, to the scope described here are presented throughout the chapter.

#### 4.6.3.1. Responsible Supply Chain

##### 4.6.3.1.1. The Supply Chain in Numbers

2-6/2-8/414-1

#### Qualitative and Quantitative Information Throughout the Supply Chain

A sustainable supply chain is an essential element in achieving decarbonisation and electrification goals. Endesa bases its purchasing processes on pre-contractual and contractual behaviour based on mutual loyalty, transparency, and cooperation.

The actions of suppliers, in addition to guaranteeing the necessary quality standards, must be accompanied by a commitment to adopt best practices in terms of human rights and working conditions, health and safety at work and environmental responsibility.

The Code of Ethics, the Zero Tolerance Plan Against Corruption, the Human Rights Policy, the Model according to Legislative Decree 231/01 and the United Nations Global Compact provide a framework for Endesa's purchasing activities, as well as constituting a guide and code of conduct for suppliers.

#### NUMBER OF ENDESA SUPPLIERS

Number of Suppliers			Value of purchases from suppliers (million euros) <sup>1</sup>		
2021	2022	2023	2021	2022	2023
3,646	4,124	4,980	3,242	4,139	3,259

<sup>1</sup> Amount contracted in 2023 corresponding to tenders in 2023 and prior.

#### VALUE OF PURCHASES FROM MAJOR SUPPLIERS

Purchases from major suppliers	2021	2022	2023
Purchases from the 15 largest suppliers (million euros)	1,268.0	1,494.6	1,093
Purchases from the 15 largest suppliers (% of total)	39.1%	36.1%	33.5%
Purchases from the 50 largest suppliers (million euros)	1,875.0	2,388.3	1,714
Purchases from the 50 largest suppliers (% of total)	57.8%	57.7%	52.6%

In relation to the information on the average period of payment to suppliers, information is provided on the degree of compliance by Endesa with the deadlines established for the payment of suppliers for commercial operations in accordance with Law 15/2010, of 5 July, amended by Law 18/2022, of 28 September.

#### NUMBER OF DAYS

	2021	2022	2023
Average Payment Period to Suppliers	10	9	14
Ratio of transactions paid	10	8	13
Ratio of transactions pending payment	22	36	76

#### MILLION EUROS

	2021	2022	2023
Number of Invoices Paid within a Period of Time Less than the Maximum Set	278,630	300,873	319,869
% of Total Invoices	82.48	85.52	91.81

**MILLION EUROS**

Monetary Volume of Paid Invoices Within a Period Less Than the Maximum Set	16,301	21,948	<b>13,156</b>
% of Total Monetary Payments to Suppliers	97.52	98.72	<b>97.56</b>

**EU17/403-9**

The number of days worked by contractors or subcontractors involved in construction, operation, and maintenance activities in 2023 was 6,507,984 representing an increase of 11.58% over 2022. The total number of hours worked by contractors in 2023 was 46,661,938.

**4.6.3.1.2. Commitment to Local Suppliers****2-6/204-1**

Endesa's activity in the countries and territories in which it operates has as its fundamental principle the creation of value for local suppliers, allowing it to generate value for society in those places where it carries out its activity. In line with the commitment to local suppliers, 79% of the amount contracted in 2023, 3,259 million euros, has been dedicated to these suppliers, understood as those incorporated in Spain and Portugal.

As far as contracts relating to maintenance services in the Production Centres are concerned, specific contractual clauses are included, whereby the contractor commits to employing technicians and workers from the local area, pursuant to current laws and the provisions of the competent authorities, in addition to strictly necessary transfer personnel and in compliance with the required specialisations.

**PURCHASES FROM LOCAL AND FOREIGN SUPPLIERS IN 2023 WITH A CONTRACTED AMOUNT OF MORE THAN 1 MILLION EUROS**

Typology	Suppliers (No.)			Value of purchases from suppliers (million euros)			Total purchases made from local/foreign suppliers (%)		
	2021	2022	2023	2021	2022	2023	2021	2022	2023
Local	269	310	<b>365</b>	2,220	2,813	<b>2,312</b>	69	68	<b>71</b>
Foreign	48	83	<b>73</b>	714	748	<b>677</b>	22	18	<b>21</b>

**4.6.3.1.3. Communication Channels in the Supply Chain****3-3 Procurement Practices Management Approach /2-29**

For Endesa, a key element of its value chain is its supply chain. This is why continuous communication with its suppliers is essential. This communication makes it possible to generate longer-lasting relationships based on trust and transparency. For this reason, Endesa has different transparent and concise communication channels.

It begins with the supplier qualification process, where economic, legal, environmental, social, and ethical aspects that the supplier must comply with in order to be included in Endesa's supplier database are assessed, with a specialised team providing support throughout the process.

This communication between the company and its suppliers continues during the corresponding bidding and purchasing processes through the "WeBUY" procurement system, which is used to relay commercial and technical needs, receive bids, and resolve all aspects relating to procurement processes.

Finally, Endesa is in constant communication with its suppliers for the entire duration of the corresponding contracts, evaluating their performance, as well as aspects relating to safety and sustainability.

Endesa also makes an Information Channel available to all its stakeholders, including suppliers and subcontractors, so that they can safely and anonymously report any irregular, unethical or inappropriate conduct. These behaviours may be related to issues of conflicts of interest and corruption, discrimination, diversion of products or business opportunities, falsification of contracts, reports, or records, forced labour, fraud, improper suppliers, or contractual activities and/or retaliation, which may occur in the development of the company's activity.

The platform on which the channel is articulated is managed by an external and independent firm, through which all complaints or communications are processed, which fully guarantees confidentiality. Complaints are investigated and managed by Internal Audit, ensuring a homogeneous methodology in their treatment.

Information on ethical conduct, along with access to the Information Channel, is available on Endesa's website: <https://secure.ethicspoint.eu/domain/media/es/gui/102504/index.html>. For more information, see section 4.7.2.2.5. *Internal Protection System for Informants*

#### **4.6.3.2. Comprehensive Procurement Process**

##### **3-3 Procurement Practices Management Approach /2-6**

In order to promote responsible management in the supply chain, Endesa has a comprehensive purchasing process, which begins with the planning of needs by the different business lines, and in which the qualification of all suppliers is required. This qualification evaluates the fulfilment of technical, economic, financial, legal, ethical, and honourable requirements that must be met, not only by the one with whom the contract is to be formalised, but also by all those who are invited to the corresponding tender process.

Ratifying Endesa's commitment to sustainable best practices and extending them to its entire chain of value, all contracts with suppliers include specific clauses in their General Terms and Conditions on the commitment of counterparties to human rights, personal safety, the environment, and corruption.

In this regard, Endesa is in continuous dialogue with its suppliers, identifying opportunities for improvement, which require the implementation of action plans by suppliers to remain as one of Endesa's suppliers. These plans incorporate actions aimed at improving environmental performance in the provision of the service, guaranteeing strict compliance with and respect for human rights and implementing safety management systems for its workers with the utmost rigour and excellence. Thus, Endesa promotes initiatives that promote greater environmental responsibility and the development and dissemination of environmentally friendly technologies.

In addition, Endesa's suppliers are subject to a constant evaluation process called Supplier Performance Management (SPM) that facilitates the monitoring of the supplier's performance during the purchasing process and throughout the term of the contract.

The performance appraisal is divided into 6 individual categories of uniform, homogeneous and standard indicators for all lines of business: safety, environment, quality, timeliness, human rights and fairness, innovation, and collaboration. Based on the scores achieved in these categories, the Supplier Performance Index (SPI) is calculated as a weighted average of the scores according to percentages that depend on the risk attached to the individual category in the group of products or services under assessment.

Once the evaluation of suppliers has been carried out and depending on the score obtained, the Consequence Management process is initiated, which allows decisions to be taken to resolve criticalities, encourage improvement and reward excellence in the behaviour of suppliers in certain activities defined through their active contracts.

## PURCHASE PROCESS



### 4.6.3.2.1. Qualification Process

308-1/408-1/409-1/414-1

Endesa establishes a supplier rating system that facilitates the careful selection and assessment of companies that wish to participate in tender processes, which involves the assessment of technical, economic, financial, legal, environmental, safety, human rights and ethical requirements, in addition to honourability requirements, with a view to ensuring the appropriate level of quality and reliability in case contracts are awarded in the energy sector. This rating system was created in accordance with local and EU laws and regulations.

Before starting a relationship with other parties in the field of Trading or the development of projects, Endesa verifies the trustworthiness thereof through a Counterparty Check (KYC-Know Your Customer) procedure, admitting only those whose standards are in line with those of the company.

The qualification process works by using Merchandise Groups: each supplier is rated in relation to one or more specific such groups, with the qualification assigned to the supplier only when it meets all the requirements defined for each group. These requirements vary depending on the specific implications and risks associated with each group.

Based on the analysis carried out on the producer groups for all merchandise groups, certain risks are taken into consideration. These risks are described in Enel's risk catalogue, which is applicable to Endesa. In this regard, Global Procurement (GP) owns and manages the following main categories of risk:

- Counterparty risk, when in relation to suppliers.

- Logistics and supply chain risk when reference is made to procurement contracts.

GP's approach to risk considers both a vendor dimension ("Vendor Risk") and a process dimension ("Process Risk"). Supplier Risk assesses counterparty risk in terms of: ecological-financial risk, environmental-social-governance (ESG) risk, reputational-corruption risk, geopolitical risk, performance risk, mutual dependence on Enel and logistics-supply chain risk. Furthermore, process risk assesses logistics and supply chain risk in terms of procurement strategy (e.g., process structure, composition of the supplier list, etc.) and contract award conditions (price indexing, potential award data).

#### ESG CERTIFIED CONTRACTORS

	2022	2023
Percentage of contractors certified in sustainability (ESG)	100	100
Percentage of Supplies Covered by Carbon Footprint Certification (CFP)	66	60

All Endesa suppliers qualified through the use of GM with high environmental risk have ISO 14001 and those classified as high safety risk have ISO 45001. For all the management systems requested, an exhaustive check is carried out on their scope and period of validity.

For more information on the supply chain risk assessment process, see section 2.4.1.4. *Key ESG Risks*.

The qualification process requires the submission of a series of documents (self-certification on the possession of general requirements, financial statements, certifications, etc.) and, among other things, adherence to the principles expressed by the Code of Ethics, the Zero Tolerance Plan Against Corruption, Human Rights Policy and the Global Compact, with specific reference to the absence of a conflict of interest (including potential) and potential reputational risks (through searching international databases and a self-declaration by the supplier).

Contractors who are already included in Endesa's Register of Qualified Suppliers are constantly monitored – including through external databases – regarding events relating to the company itself and its main exponents.

By the end of 2023, the Supplier Qualification System had been implemented in 633 purchasing families, 497 global families (international qualification), and 136 local families throughout Endesa. In 2023, contracts have been signed with 438 suppliers (365 local and 73 foreign) whose contracted amount, individually, exceeds the amount of 1 million euros.

#### 414-1/ 412-2

On the other hand, as part of Endesa's supplier qualification process, during 2023 a total of 1,612 suppliers were analysed in terms of human rights and ethical conduct through the analysis of a questionnaire provided for this purpose in the qualification circuit.

#### Integrating Sustainability into the Qualification Process

As part of the qualification process, in order to access Endesa's supplier register, the supplier must undergo a specific and mandatory assessment on environmental requirements, health and safety requirements and human rights requirements. In practice, the provider is asked to complete questionnaires and provide relevant supporting documentation to carry out the assessment. For activities considered to pose a high risk to safety or the environment, an on-site audit is performed to verify these aspects.

Only with a positive general judgement can the supplier qualify for the Suppliers Registry (or continue to be so where previously qualified) and may be taken into account to participate in the Group's purchasing procedures.

The evaluation of the above-mentioned individual requirements contributes to the general

evaluation of whether the company should or should not be admitted to the Endesa rating system explained above.

In the event of non-admission, for example in the case of a negative environmental assessment, the supplier may submit a new request for qualification, providing the evidence of the Improvement Plan adopted.

#### QUALIFICATION PROCESS INFORMATION

	2021	2022	2023
Total ratings completed	3,459	6,005	8,273
Total Qualified Suppliers	2,281	3,618	4,980
New ratings carried out	1,562	2,102	2,138
New Qualified Suppliers	1,152	1,566	1,612
% of the amount of purchases from Qualified Suppliers		99.3%	99.8%

In order to promote continuous improvement in the responsible management of the supply chain, Endesa has reviewed and improved the sustainability requirements established in the supplier qualification process. This enabled the requirements for occupational safety, the environment, integrity, and human rights to be updated.

In this new context, Endesa has set itself several objectives in its Endesa Sustainability Plan 2024-2026, relating to the verification of sustainability criteria in the supplier rating system in accordance with the new system. For more information, see the table of objectives of Endesa's Sustainability Plan 2024-2026 in section 4.6.3. *Fostering a Sustainable Supply Chain*.

#### 4.6.3.2.2. Selection Process

##### 414-1/409-1/412-1/3-3 Supplier Environmental Assessment Management approach /3-3 Supplier Social Assessment Management approach

In 2018, Endesa began to apply sustainability criteria in tenders for products and services, consolidating in 2021 and 2022 the use of a library of social, environmental, ethical, and occupational safety indicators. In 2023, Endesa focused on sustainability criteria linked to the circular economy, the environment, and social criteria. For each tender, the indicators most appropriate to the nature of the product or service in question are selected, evaluating the performance of potential suppliers in relation to these indicators, together with their economic and technical proposals.

These indicators show different commitments that suppliers acquire when contracting with Endesa.

During 2023, Endesa continues to promote sustainability in its supply chain, prioritising suppliers that are committed to sustainable practices and prove this in the tender processes in which they participate.

The following key aspects in the transformation of procurements are highlighted below:

- Suppliers that demonstrate their commitment to the transition to a circular economy will be classified as priority suppliers. As part of the tender process, Endesa has defined different parameters that positively weight those bids that comply with sustainability criteria, including circular economy criteria (95% of the amount tendered in 2023 includes sustainability-related indicators). Moreover, Endesa maintains a partnership and joint innovation relationship with suppliers, with a view to promoting the adoption of this new economic model in the supply chain, prioritising companies that are committed to the development of circular economy initiatives. For more information on the inclusion of circularity criteria in supplier selection, see section 4.4.3.1. *Circular approach* of chapter 4.4.3. *Circular economy*.
- As part of dismantling projects, Endesa includes a section on Creation of Shared Value with the local community in its offer, as part of which it requires bidders to commit to recruiting a

minimum number of unemployed people in the local area affected by closures for the execution of the project, in addition to other commitments with regard to reducing emissions, reducing water consumption and other social actions in favour of the local community. Additionally, in renewable facility construction projects, the technical sustainability specifications incorporate requirements related to local training, local hiring, gender diversity and inclusion. For more information on the inclusion of criteria related to the creation of shared value with the local community in the selection of suppliers, see section 4.6.2.1. *Sustainable Business under the CSV Approach* in chapter 4.6.2. *Engagement to Local and Global Communities*

- In compliance with the guidelines established in the internal policy entitled “Management of Value Levers within Global Procurement”, Endesa has implemented a rigorous supplier risk analysis process. This procedure is performed exhaustively in relation to each of the potential suppliers during the definition of the bidding strategy. The risk assessment is based on the Aggregated Risk Indicator (ARI), which considers economic-financial aspects, country risk and the supplier’s internal assessment through the Supplier Performance Index (SPI), among others, which guarantees the selection of reliable suppliers for Endesa.

For poorly performing suppliers, specific actions are taken that can have an impact on:

- In the qualification system (e.g., suspension of qualification, review of application type, exclusion from the list of qualified suppliers, blacklisting, etc.); and/or
- In the contract (e.g., new research, improvement action plan, contract termination, volume reduction, etc.).

In case of problems with the conduct of a supplier, an action plan can be jointly drawn up, the execution of which is constantly monitored by the company.

#### 4.6.3.2.3. Evaluation Process

Once again, Endesa confirms that 100% of its suppliers comply with the qualification requirements related to occupational safety, human rights, and the environment. In 2023, no supplier with a negative social impact has been identified.

For more information, please consult this link: <https://globalprocurement.enel.com/es>.

#### 414-1/414-2/308-1/308-2

SUPPLIER EVALUATION						
Criteria	Human rights		Environmental		Social	
	2022	2023	2022	2023	2022	2023
New Suppliers Evaluated (%)	100%	100%	100%	100%	100%	100%
Number of suppliers identified with negative impact (no.)	0	0	0	0	0	0
Suppliers with negative impacts with whom improvement measures have been agreed as a result of an assessment (%)	0%	0%	0%	0%	0%	0%
Suppliers with negative impacts with whom the relationship has been terminated as a result of the evaluation (%)	0%	0%	0%	0%	0%	0%

Within the process of assessing sustainability requirements, it is planned to carry out in-depth audits which may include on-site visits to verify compliance with the requirements needed to work with Endesa.

Endesa also has a Supplier Performance Management (SPM) process in place which, as mentioned in section 4.6.3.2. *Comprehensive Procurement Process* aims to monitor the performance of suppliers during the contractual period. This process is understood and accepted by suppliers as it forms part of Endesa’s general contracting conditions.

The score obtained in the SPM process can serve to encourage both participation in future bidding



procedures and the improvement and maintenance of current contractual relationships, all framed in the Consequence Management process.

#### 4.6.3.2.4. Critical Suppliers

The entire process described above is even more important for suppliers considered critical, either because of the volume of purchases, because they supply essential products or services for the performance of economic activity, because of the environmental or social risk derived from the activity they carry out or because of the potential reputational or legal impact for the company.

The following table shows the main figures of the suppliers categorised as critical by Endesa:

IDENTIFICATION OF CRITICAL SUPPLIERS – TIER 1 <sup>1</sup>		
	2022	2023
Number	1,153	1,648
Percentage by supplier <sup>2</sup>	28%	33%
Percentage of companies evaluated annually	100%	100%
High Sustainability Risk Supplier <sup>3</sup>	82	58

<sup>1</sup> Tier 1 suppliers are those with active contracts at 31 December 2023 of more than 25,000 euros.

<sup>2</sup> Ratio of the total number of Tier 1 suppliers to the total number of suppliers.

<sup>3</sup> High Sustainability Risk suppliers are considered to be Tier 1 suppliers and have a *Supplier Performance Index* (SPI) score of less than 50 in the *Supplier Performance Management System*.

#### 4.6.3.3. ESG Supply Chain Management

##### 4.6.3.3.1. Integrity and the Fight Against Corruption

###### 414-2

The purchasing processes are characterised by the search for the greatest competitive benefit for Endesa, guaranteeing equal opportunities among all suppliers. In addition, they are based on pre-contractual and contractual behaviours focused on loyalty, transparency, and reciprocal collaboration.

Endesa is a member of the Global Compact and, in compliance with the tenth principle, intends to continue its commitment to combat corruption in all its forms. It therefore prohibits the use of any unlawful intention, offer or request for payment, monetary or otherwise, in order to gain an advantage in relations with interested parties, extending this prohibition to all its employees. The contractor declares that it recognises the commitments assumed by Endesa and undertakes not to make use of any illegal offer or request for payment in the execution of the contract in the interest of Endesa and/or for the benefit of its employees.

In the event of non-compliance with these obligations, the company reserves the right to terminate the contract and request compensation from the contractor. In addition, Endesa's contractors, suppliers and subcontractors are required to implement contractual commitments to prevent any form of corruption and extortion, and to implement preventive measures to avoid damaging the environment.

##### 4.6.3.3.2. Compliance with Human Rights

###### 414-1/3.3 Approach to management of social assessment of suppliers

Endesa seeks to establish a sustainable value shared with all its stakeholders, including its supply chain, to generate a positive impact on society. To this end, it considers respect for human rights as a fundamental issue. This commitment is reflected in the "Human Rights Policy", available on the company's website<sup>43</sup>, which provides details of the conditions that the company requires from

<sup>43</sup> <https://www.endesa.com/content/dam/endesa-com/home/sostenibilidad/plandesostenibilidad/documentos/pol%C3%ADtica-de-derechos-humanos/politica-de-derechos-humanos-endesa-2021.pdf>.

its internal and external collaborators. These conditions are aligned with the fundamental principles and rights at work pursued by the United Nations, which include the right to working conditions that safeguard the health, safety, welfare and dignity of workers, as well as the right to a limited working day as well as other aspects (Sections: 2.1.5 *Fair and favorable working conditions* and 2.2.3 *Respect for the rights of local communities*).

Endesa evaluates, selects, and monitors each supplier from a Human Rights point of view, both in the qualification phase and in the bidding phase, and in the contractual standards "General contracting conditions of the Group" based on:

- Voluntary adherence to the 10 Principles of the Global Compact, the implementation of Enel's Code of Ethics, the Organisation Model, the Zero Tolerance Plan against Corruption, and the Human Rights Policy.
- Suppliers must also comply with the principles contained in Endesa's Code of Ethics or, where not possible, be guided by principles equivalent to Endesa's in the management of their business.
- Also assessed will be the existence or not of crimes against individual persons, such as the reduction or maintenance of slavery or servitude, child prostitution, the use of children in pornography, the possession of child pornography, tourism initiatives aimed at exploiting child prostitution, human trafficking and the sale and purchase of slaves.

All these contracts include human rights clauses, related to the Global Compact and Ethical Regulations (Clauses 28 and 29 of Endesa's general contracting conditions), which reflect the supplier's commitment to comply with the principles of the Global Compact, which includes those related to human rights, as well as the commitment to comply with legal regulations regarding the protection of child labour and women, equal opportunities, the prohibition of discrimination, abuse and harassment, freedom of association and representation, forced labour, safety and environmental protection and sanitary hygienic conditions. In the same way, the commitment to compliance with current legislation on wages, pensions and social security contributions, insurance, taxes, etc., is extended in relation to all workers employed for any purpose for the execution of the contract<sup>44</sup> (with a view to supporting and facilitating the verification of compliance with these legal obligations, the supplier will provide the corresponding documentation. This procedure for collecting and verifying supplier information is reflected in Endesa's internal protocol entitled "Legal-Labour and Preventive Management of Contractors").

The foregoing contributes to SDG 8 (Decent work and economic growth), as reflected on Endesa's website, in the Our Commitment section<sup>45</sup>.

In addition, the conventions of the "International Labour Organization" or the legislation in force in the country in which the activities are to be carried out apply, if they are more restrictive.

With this criterion and based on contractual clauses, 100% of the operations have been subject to a human rights impact review or assessment.

#### CONTRACTS FOR THE SUPPLY OF MATERIALS AND SERVICES WITH HUMAN RIGHTS CLAUSES

Significant contracts* which include human rights clauses (N°)			Significant contracts* which include human rights clauses (%)		
2021	2022	2023	2021	2022	2023
413	471	360	100%	100%	100%

\*Contracts of more than one million euros are considered significant.

In addition, during 2023, 100% coverage of the specific human rights evaluation criteria within the supplier qualification processes has been obtained, meeting the target of 100% for this year. From the evaluation of the specific human rights questionnaires during the qualification process, no

<sup>44</sup>Section 17 Legal and labour obligations of Endesa's "General Terms and Conditions of Contract".

<sup>45</sup> <https://www.endesa.com/es/nuestro-compromiso/nuestro-compromiso/objetivos-desarrollo-sostenible>

significant negative impacts or complaints have been detected, so no measures have had to be taken.

In order to measure the degree of maturity of the company in relation to the ethical principles related to respect for human rights and the prohibition of child or forced labour, Endesa examines the company's performance and organisational and management quality, in accordance with the guidelines issued by supranational bodies such as the United Nations Global Compact and "Children Rights and Business Principles".

Within the process of evaluating human rights requirements, after the analysis of the documents the need could arise to carry out an in-depth audit, whether limited to documentation or including a visit to the suppliers' facilities.

During 2023, human rights assessments were carried out on a total of 1,612 supplier qualification files (local and global).

#### 4.6.3.3.3. Environmental Management

##### 3-3 Management approach environmental assessment of suppliers / Management approach environmental assessment of suppliers / 308-1/308-2

In the Group's contractual regulations, in the "General Terms and Conditions of Contract (GTC)", there are clauses that require compliance with environmental regulations.

To guarantee compliance with environmental requirements and constantly monitor the status of compliance with its obligations, Endesa reserves the right to carry out monitoring activities of its contractors and to terminate the contract in the event of violations. Thanks to these procedures, shared improvement actions are defined with a collaborative and non-punitive objective. In addition, in some purchasing procedures, a recognition coefficient can be assigned using a "K" technical sustainability factor, rewarding environmental aspects – for example, carbon footprint, limitation in the use of SF<sub>6</sub> gas, etc.

Within the context of the qualification process, Endesa has also introduced a specific and mandatory evaluation of environmental requirements for access to the Suppliers Registry that is added to the usual economic-financial, legal, and technical obligations, as well as those relating to occupational safety and human rights. In addition, thanks to the supplier qualification system and on-site verification activities, the supplier is constantly monitored for compliance with environmental requirements.

The process used to assess the resources and possible environmental risks of an Endesa contractor company is described in the specific operating note. In particular, Endesa's contractor must complete a questionnaire indicating the environmental certifications and environmental management systems it has provided, as well as other information useful for the assessment.

Endesa evaluates whether the contracting companies have the requested environmental requirements, examining the performance and organisational quality and management of the companies in terms of environmental responsibility, based on various information and documents sent by the company, including a possible visit to the facilities for an on-site assessment.

Endesa awards the Supplier Rating entered in the Register of Qualified Companies only to contractors who, in addition to complying with the other sustainability criteria referred to in the sections above, have passed the evaluation relating to environmental requirements.

#### SUPPLIERS EVALUATED IN RELATION TO ENVIRONMENTAL MATTERS

	2021	2022	2023
Environmental assessments (No. of proceedings)	1,152	1,566	1,612
Compliance of qualified suppliers (%)	100%	100%	100%

In 2023, Endesa's commitment to the environment was shared with its collaborating companies with a potential medium and high environmental impact through the Supplier Environmental Day event. The meeting dealt with issues related to environmental management and waste management, regulatory issues, environmental policies, and lines of work carried out by the company's different business lines aimed at caring for the environment, respecting the environment and complying with the necessary standards in waste management.

#### 4.6.3.3.4. Occupational Health and Safety

##### 414-1

Endesa's objective is to minimise accidents at work, while respecting the environment and human rights. To this end, it has several tools, among which the Improvement Plans stand out. Whenever Endesa observes any critical problem in a contractor's conduct, a shared Improvement Plan is defined, aimed at improving its management and performance systems, and remedying deficiencies, to always be in line with Endesa's requirements.

The Group has adopted an Operating Instruction on repeated violations of occupational safety and procurement processes, which specifically regulate the way in which accidents or incidents (*near miss*) are assessed and the limits on the allocation of new contracts following these events.

In this instruction, Endesa monitors the safety-related performance of its contractors or employed personnel (e.g., subcontractors) during the execution of the contract.

More generally, in all cases where a critical occupational safety event is detected, for example, a serious violation or if a fatal accident occurs, Endesa will evaluate the corrective actions that will be taken with the contractor involved. In addition to the provisions set forth in the Endesa General Conditions of Contract and/or the existing contract, after a careful analysis of the specific case and the responsibilities of the supplier, the Qualification Commission may:

- Suspension of qualification, in the case of a qualified provider.
- Issue of a Critical Note, in the case of an unqualified supplier or a supplier in the registration phase

Additionally, within the supplier qualification process, in the section on assessing sustainability requirements in terms of safety, in order to measure the overall performance of the company in the last three years, the following four parameters are evaluated:

- Average Frequency Index over the past three years:
- Average Severity Index over the past three years:
- The Mortality Index – the number of fatal accidents affecting the supplier and its contractors during the execution of a contract with the company in the last three years.
- CS – IVR - If available, the latest value and development of the Security category of the Vendor Rating Index for the group of products to be qualified.

The values obtained for each of the four indicators are compared with the specific thresholds pre-defined by Endesa and depending on the deviation of these values from the thresholds, the supplier receives a rating that means they can continue the qualification process or have to abandon it. Each year, limit values are defined, appropriate to the country in which the company applies to be qualified and to the specificity of the activity that is the subject of the qualification application.

Within the process of evaluating security requirements and after analysis of the documents, the need could arise to carry out an in-depth audit made up of two parts: a visit to the company's facilities (hereafter "office visit" below) and one to a site (for the product groups that require

activities at the work site and carried out by Endesa or by third parties) where the company is undertaking the activities at the time of the technical evaluation (site visit).

#### SUPPLIERS ASSESSED FOR OCCUPATIONAL HEALTH AND SAFETY

	2021	2022	2023
Occupational health and safety evaluations (Number of files)	1,152	1,566	1,612
Compliance of qualified suppliers (%)	100%	100%	100%

#### 4.6.3.3.5. Coal Supply Chain Control

Together with the main European electricity companies, Endesa actively participates in Bettercoal, a global initiative to promote the continuous improvement of corporate responsibility in the international coal industry. Bettercoal has published a code of conduct based on existing and agreed standards of social responsibility in the mining sector. It details the principles that mining companies can refer to when developing their own social, environmental, and ethical policies. The Bettercoal Code tells suppliers what members expect from their practices in relation to ESG principles, including governance, commitment to ethics and transparency, human and labour rights, and environmental performance, while promoting continuous improvement.

The new version of the Bettercoal Code, finalised in 2020 and aligned with the latest best practices in sustainability in line with the Sustainable Development Goals, ensures the integration of the mine closure and rehabilitation process, incorporating environmental, social, economic and governance aspects into operations from the earliest stages of mine development. After signing a letter of commitment, participants in the programme embark on a virtual path by accepting on-site checks, conducted by independent third parties, to verify that the principles of the Code have been applied, and agree on a continuous improvement plan to overcome any deficiencies. In addition to Bettercoal's growing presence in various forums in the field of coal and supply chain sustainability, the initiative has become an example of collaboration between different stakeholders, aimed at improving socially responsible practices within the supply chain.

During 2023, it continued to participate in the working group dedicated to South Africa established in 2022.

For more information, see: [www.bettercoal.org](http://www.bettercoal.org).

#### 4.6.3.3.6. Promoting Diversity in the Value Chain

In 2023, Endesa included Sustainability indicators in 95% of the amount tendered, with the following mainly being used:

#### SUSTAINABILITY CRITERIA OF A SOCIAL NATURE INCLUDED IN TENDERS

Social	Staff employment: disability
	Staff employment: women
	Staff employment: local employment
	Staff employment: unemployment, first job/youth, redundancy, and the elderly
	Supply Chain Mapping

It is worth highlighting the use of indicators related to social aspects, which account for about 56% of the total number of indicators used.

#### 4.6.3.3.7. Supplier Development

Endesa has a "Supplier Development Programme", an initiative that aims to support the growth of suppliers while contributing to the achievement of strategic objectives.

The Programme offers a series of services on particularly advantageous conditions to all qualifying suppliers, services including but not limited to training on sustainability and the circular economy, management skills, advice on certifications, data privacy and information security, occupational health and safety, as well as the possibility of benefiting from significant discounts on the financial costs of receiving payment of their invoices in advance if they demonstrate (presenting specific documentation) more sustainable and circular practices (Confirming Circular, detailed in the Circular Economy section *4.4.3.3.6 Supply chain*).

## **4.7. ESG PILLARS**

**4.7.1. Human Rights.**

**4.7.2. Sound Governance.**


**4.7.3. Occupational Health and Safety.**

**4.7.4. Fiscal Transparency.**

### 4.7.1. Human Rights

Material Topics	Plan	SDGs
<ul style="list-style-type: none"> <li>➤ Sustainable Supply Chain</li> <li>➤ People management, diversity and inclusion</li> </ul>		

The targets of the Sustainability Plan (ESP) 2024-2026 and the closure of these indicators are shown below.

SDGs	Activities	Units	2022	2023	ESP Objectives 2024-2026	
					2024	2026
	Action Plan as a result of the Human Rights due diligence process	-	N/A	N/A	Implementation of the action plan for the 2024-2026 period	

#### Objectives



New



Redefined objective

The scope of the information provided in this chapter covers both Endesa, S.A. and its investee companies in Spain and Portugal. The scope is the same as in the Legal Documentation reports. For more information, see sections 2.1.2.6. *Organisational structure* and 2. *Report Coverage (ANNEX I: Methodology for preparing the report)*. Variations, if any, to the scope described here are presented throughout the chapter.

#### 4.7.1.1. The Due Diligence Process

##### 2-12/2-24

In 2023, Endesa performed its third Human Rights due diligence process, which entailed assessing the level of compliance with its policy and the Guiding Principles. In addition, this year it adds actions aimed at responding to what will be the new European Corporate Sustainability Due Diligence Directive. The process has covered all of Endesa's business activity in Spain and Portugal, including electricity generation, distribution and marketing activities, as well as the value chain, asset purchase processes and corporate functions. In 2017, the first human rights due diligence process was carried out, whose resulting action plan had a 100% degree of compliance and allowed a set of actions to be carried out, among which the following stood out: The design and progressive development of a human rights training programme, aimed at facilitating general training to all employees, the promotion of measures to avoid discriminatory attitudes during recruitment, the inclusion of human rights criteria in the vendor rating process of suppliers or the inclusion of human rights aspects in the sustainability questionnaires completed by contractors. In 2020, a second human rights due diligence process was performed and a new 2020-2022 action plan was defined containing 6 actions, the main lines of action in which were to evaluate human rights-related aspects in the deployment of activities, monitor working hours and promote and enhance occupational health and safety measures.

The due diligence methodology carried out exhaustively reviews the adjustment of the activities carried out by Endesa, on the one hand, with respect to the guiding principles that affect it as a company and, on the other hand, with respect to the principles of its Human Rights Policy, covering all the company's activities and all its stakeholders. Endesa includes employees, focusing on trade union associations, women, migrant workers, minors, and people with disabilities. This is extended across the value chain, analysing suppliers, contractors and local communities in the areas where it operates. Given the general relevance of these stakeholders,

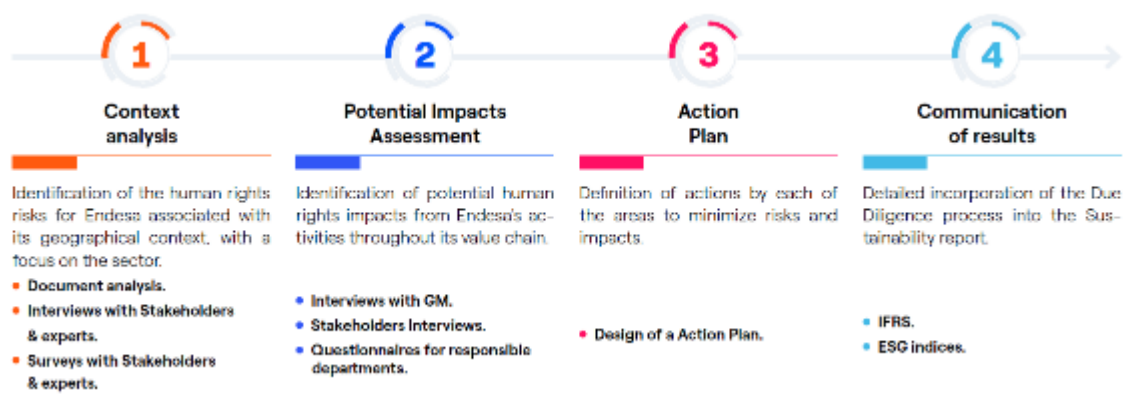


the due diligence analysis also covers indigenous communities. However, the preliminary analysis identified these matters as ones with a residual impact and limited to the value chain, according to the company's scope of operations.

The process has consisted of the following stages:

- The evaluation of human rights in the context where operations are carried out to identify potential risks associated with this context. This evaluation has been completed with a focus on the company's sector of activity.
- Assessment of the actual and potential impacts of Endesa's activity on human rights.
- Design of an Action Plan in order to minimize the potential impacts evaluated.
- Communication of results in detail through the non-financial statement and ESG indices.

The entire process will be supervised by the Sustainability and Corporate Governance Committee (CSGC) of the Board of Directors and the Human Rights Policy itself determines it must be conducted once every three years. The aim is to review and assess the potential risks that may arise within the operational context and the potential impacts that Endesa's activity may generate.



#### 4.7.1.1.1. Human Rights Assessment within the Operational Context

In 2023, Endesa carried out an exhaustive analysis of the potential risks associated with its operating context. As part of this study, the company has completed its analysis with support from an external Human Rights expert (*Business & Human Rights*). As a new addition to this process, as well as evaluating the risks associated with the context of operations in Spain and Portugal, the focus has been placed on the company's activities, in such a way that the result is more closely aligned with the company's reality.

The process has consisted of different actions:

- Literature review taking into consideration the regulatory framework for each country, (Spain and Portugal) and based on different types of sources, including studies, documents produced by different government and private institutions, ILO reports, reports from NGOs and associations, as well as press notes and other social media publications, with a view to employing a comprehensive approach to the situation in Spain and Portugal.
- Stakeholders consultations, with the risks identified, to assess the likelihood and severity of the identified risks. The groups questioned were as follows: Business community, NGOs, academic experts, employees, suppliers and customers. The survey was conducted in Spanish and Portuguese, adapting it to people with disabilities.

- Forty semi-structured and anonymous interviews with: NGOs, academic experts, employees and suppliers.

The analysis of the context makes it possible to identify and evaluate the risk of violation of the fundamental rights considered in the Universal Declaration of Human Rights and Endesa's Human Rights policy in the context of Endesa's operations.

Consultations with stakeholders have allowed the company to identify and assess each of the main risks related to Endesa's activity based on its geographical context and sector of activity. To do this, the probability and severity of the perceived risk of violation are considered. Based on the values obtained in this assessment, the risks are classified, from most to least relevant, into the following categories: Very high, high, acceptable and to be controlled. The two highest categories (very high and high) entail levels of risk that may even lead to the abandonment of operations that may be affected by these risks, while the two lower ranges (acceptable risk and risk to be controlled) require an action more focused on developing control and monitoring actions to avoid any potential breaches.

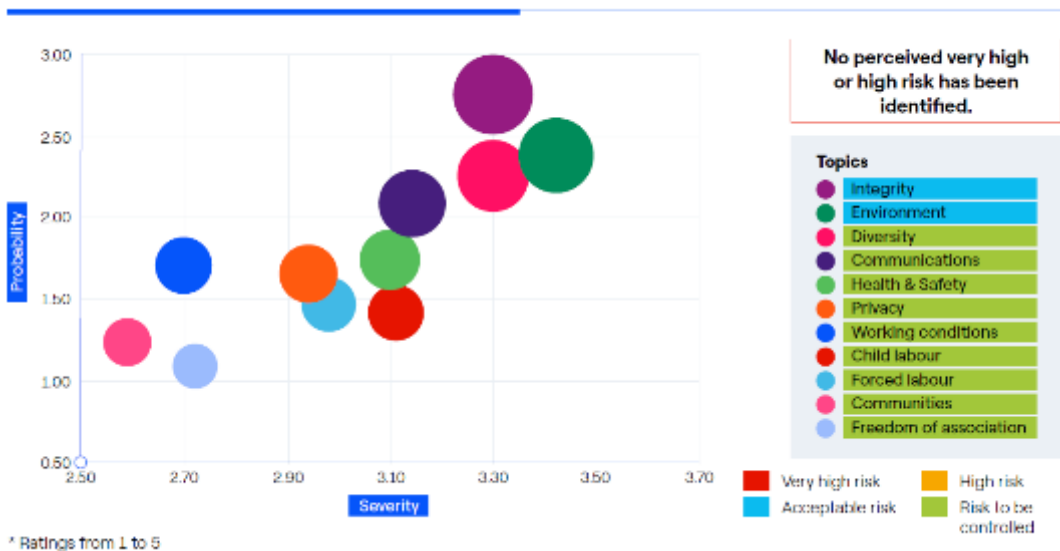
As a summary of the analysis of the risks related to Endesa's activity according to its geographical context and its sector of activity, it has been concluded that no element with high or very high risk has been identified.

### Risk matrices

#### Risk matrix in the geographical context of Spain and Portugal

First, the geographical context was analysed to assess the inherent risk of operating in Spain and Portugal, with various issues related to Human Rights subject to assessment. No element has been perceived as having a high or very high risk. The matters perceived as having a higher risk are Integrity and Environment, with this risk classified as an acceptable risk. The other matters have a lower risk "to be controlled".

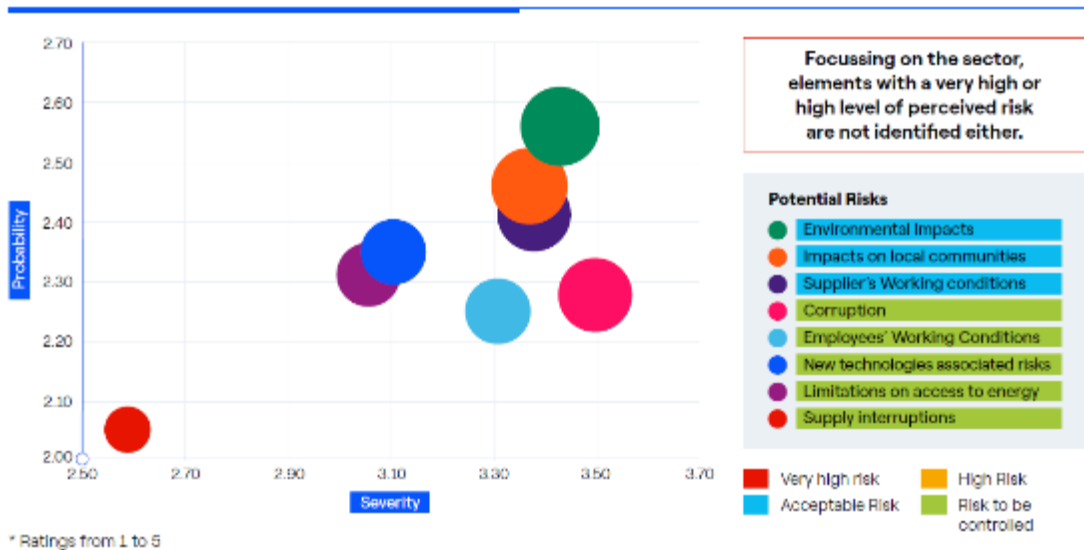
#### RISK MATRIX IN THE CONTEXT OF SPAIN AND PORTUGAL



## Risk matrix with a focus on Endesa's sector of activity

This phase includes an analysis focusing on Endesa's sector of activity. This analysis does not identify factors with a very high or high level of perceived risk. The greatest risks would be the potential impacts on the environment, the local community and the working conditions of suppliers.

RISK MATRIX FOCUSING ON ENDESA'S SECTOR OF ACTIVITY



### 4.7.1.1.2. Assessment of Potential Impacts of Business Activity

#### 2-25

In the second phase of the process, the potential impacts of Endesa's activity throughout its value chain are analysed. Through the human rights due diligence process, the company evaluates 100% of the adopted operating policies and procedures in order to identify the risks of its direct and indirect operations (e.g., new acquisitions, mergers or *joint ventures*, etc.). In the event of new developments, such as new acquisitions of distribution assets at the local level, a new human rights due diligence process is activated in which the risks and potential impacts derived from the operation are assessed.

The analysis takes each of the aspects included in Endesa's Human Rights Policy and in the Guiding Principles applicable to Endesa's area of operation into consideration. One new development is that the interviews have taken factors related to the future European Corporate Sustainability Due Diligence Directive into consideration.



Different actions have been carried out:

- In-depth interviews with senior management, aimed at analysing the integration of respect for human rights in the company's day-to-day management activities.
- Semi-structured and anonymous interviews with the company's main stakeholders, including but not limited to civil society, employees, academics specialising in human rights and suppliers and contractors to evaluate their perception of the potential impacts that Endesa's operations could have.
- Internal assessment of the company's policies, procedures, systems and practices in each of the business and management areas, based on the analysis of more than 130 indicators that





measure performance in the different aspects of human rights associated with management practices.

The results of the analysis showed that Endesa already had a series of robust management mechanisms and systems in place at the time of the due diligence process, enabling it to guarantee respect for human rights and properly manage existing risks. In this regard, the main results and existing management mechanisms identified in 2023 are summarised below:

#### MAIN RESULTS AND MANAGEMENT MECHANISMS

Aspects	Level of Management and Maturity at Endesa	SDGs	Risk Management Mechanisms	Average Perceived Risk
<b>Scope: Work Practices</b>				
Freedom of Association and Collective Bargaining	Robust		More than 90% of the workforce covered by collective agreements agreed with the different trade union organisations and adjusted to the treaties in force of the International Labour Organisation (ILO) ratified by Spain. The functioning of these organizations and the right to trade union action are expressly enshrined in collective agreements.	Acceptable Risk
Rejection of forced or compulsory labour and child labour	Robust		The management systems and procedures of People and Organisation guarantee the absence of minors at the workforce. The employee hiring conditions are clearly described in the contract and collective agreements regulate overtime, there being a commitment to its remuneration and minimisation. In the same way as with its employees, Endesa values the working practices of the workers in its value chain.	Acceptable Risk
Respect for Diversity and Non-Discrimination	Robust	 	Endesa has a diversity and inclusion policy and action plan that establishes objectives and lines of action in four areas (gender, age, nationality and disability) in order to disseminate a culture that pays attention to diversity as an element of value generation. The collective bargaining agreement regulates the company's existing equality plan.	Acceptable Risk
Occupational Health and Safety (OHS)	Robust		Endesa's work centres have occupational health and safety management systems certified by the international standard ISO 45001, through which the appropriate measures are established to manage the risks inherent to Endesa's industrial activity and reduce accident rates. In addition, workplace risk prevention is integrated into the activities, processes, practices and facilities throughout all the management bodies of the company.	Acceptable Risk
Fair and Favorable Working Conditions	Robust		Working conditions are regulated through collective agreements agreed with trade unions. In addition, the different mechanisms and procedures for the management of People and Organisation are aimed at promoting working conditions that exceed the requirements established by current regulations.	Acceptable Risk
<b>Scope: Communities &amp; Society</b>				
Environment	Robust		Endesa has ISO 14001 certified environmental management systems for 100% of its electricity generation and distribution activity. Through these systems, the company establishes environmental monitoring plans and continuous improvement measures that go beyond the requirements established by current regulations.	Risk to be controlled
Respect for the Rights of Communities	Robust	  	Endesa is continuing with the implementation of a methodology for creating shared value in the management of its local operations, through which it integrates the expectations of local communities in the management of assets and seeks solutions that	Acceptable Risk

## MAIN RESULTS AND MANAGEMENT MECHANISMS

Aspects	Level of Management and Maturity at Endesa	SDGs	Risk Management Mechanisms	Average Perceived Risk
			generate value in the Company, thus contributing to obtaining the “social licence” to operate. On the other hand, security services are provided by external personnel duly accredited and authorized by the Ministry of the Interior. As part of their training, aspects of Private Security legislation, basic rights of people and human rights are included. They are also subject to periodic review and evaluation processes by the State security forces.	
Integrity and Ethical Conduct	Robust		Endesa has a Code of Ethics, a Zero Tolerance Plan Against Corruption and other standards in accordance with the most advanced compliance models. In addition, among other aspects, the company has established specific action protocols in order to guide the actions of its employees in relation to the acceptance and offering of gifts and hospitality, as well as in dealing with public officials and authorities. Likewise, Endesa has a Criminal Risk Prevention and Anti-corruption Model that complies with the regulations applicable to the Group regarding corporate criminal liability. This model has been certified in 2017 according to the UNE 19601 standard: 2017 and updated in 2018 and 2020. Finally, since 2017 the company has had a legal compliance and anti-bribery policy, as well as an anti-bribery management system certified by the UNE-ISO 37.001-2017 standard.	Risk to be controlled
Privacy	Robust		Endesa respects the rights and freedoms of individuals, including the fundamental right to the protection of personal data, established in the Charter of Fundamental Rights of the European Union. The commitment to privacy is one of the priority axes to improve trust and the relationship of transparency with all those with whom the company is linked and these relationships are guided by the principles included in the General Data Protection Regulation (EU) 2016/679.	Acceptable Risk
Communications	Robust		Endesa is committed to non-discriminatory institutional and commercial communication that is respectful of different cultures, while taking special care not to negatively influence vulnerable audiences, such as children and the elderly.	Acceptable Risk
Range of risk	Very high risk	High risk	Acceptable risk	Risk to be controlled

### 4.7.1.2. Opportunities for Improvement and Action Plan

The action plan associated with due diligence is the result of the analysis of all business activities in Spain and Portugal, including the activities related to generation, distribution and marketing of electricity, as well as supply chain management, asset purchasing processes and corporate functions, so that 100% of operations and facilities are covered by the action plan.

In addition, for greater coverage of assets, an exhaustive and rigorous Shared Value Creation (CSV) methodology is developed to accompany the company's assets in all phases of the value chain: From the project phase of construction of the asset, through the operation and maintenance of the facility, to the closure and dismantling at the end of its useful life.

During the process of assessing compliance with its Human Rights policy and its alignment with the Guiding Principles, a set of improvement opportunities were identified to strengthen the company's commitment to respect for human rights in its industrial and commercial activity.

The 2024-2026 Action Plan created as a result of the due diligence analysis process performed in 2023 includes the following areas and actions.








Stakeholder	Identified area of action	No.	Description of the action
Employees	Strengthening gender equality	1	Implementing the Gender Action Plan.
	Respect for employees' rest and disconnection	2	Implementation of the Work Disconnection Policy.
	Deployment of measures to minimise impacts on occupational health and safety	3	Continuation of the actions derived from the Workplace Risk Prevention Plan for employees.
	Respect for the right to work	4	Continuation of the development of actions related to the relocation of employees affected by the closure of power plants.
Suppliers	Training the supply chain	5	Training for Suppliers on specific Human Rights matters.
	Focus on higher risk areas	6	Verification of working conditions at call centres working for Endesa in Manizales (Colombia).
	Deployment of measures to minimise impacts on occupational health and safety	7	Continuation of actions defined as a result of the workplace risk prevention plan for contractors.
Communities	Development of specific environmental and social assessment procedures that include human rights aspects	8	Establishment of guidelines to assess the social and environmental impact of major operations, which take into account specific aspects of Human Rights, with the participation of stakeholders.
	Boosting employment in communities affected by the energy transition	9	Continuation of the development of actions related to local communities in just transition plans.
Clients	Focus on internal mechanisms to ensure privacy and data protection	10	Enhancing awareness on data protection and privacy among employees and suppliers.
	Mitigate energy vulnerability	11	Reinforcement of actions to minimise barriers to access to energy for people in vulnerable situations.
Transversal	Knowledge of the reporting channel	12	Reinforcement of communication to employees and suppliers about the reporting channel.
		13	Information on the reporting channel in the interviews held with local agents in the deployment of our operations.
	Alignment with the principles of the new European Corporate Sustainability Due Diligence Directive matters	14	Publication of a report on Endesa's human rights management.
	15	Raising awareness amongst the Board of Directors about Human Rights issues.	
	16	Raising awareness among senior management about the Due Diligence Directive.	

Both the action plan and its annual monitoring are subject to approval by Endesa's Board of Directors. Responsibility for this lies with the Sustainability and Corporate Governance Committee.

## 4.7.2. Sound Governance

Material Topics	Plan	SDGs
<ul style="list-style-type: none"> <li>➤ Sound Governance</li> <li>➤ Ethical Corporate Conduct</li> </ul>		  

The targets of the Sustainability Plan (ESP) 2024-2026 and the closure of these indicators are shown below.

SDGs	Activities	Units	2022	2023	ESP Objectives 2024-2026	
					2024	2026
	Promotion of sound governance practices	Implementation	<b>Completed</b>	<b>Completed</b>	Supervision and annual report to the CAC of the Criminal Risk Prevention and Anti-Bribery Model	
	Promotion of the prevention of criminal risks	Implementation	<b>Completed</b>	<b>Completed</b>	Maintain Criminal Compliance Certifications (UNE 19601) and anti-bribery (UNE-ISO 37001)	
	Analysis of complaints through the ethical channel	%	<b>100</b>	<b>100</b>	<b>100%</b> of complaints in period 2024-2026 analysed in <b>&lt;90</b> days	
	Maintain a high level of excellence in ethical conduct and receive recognition from SRI analysts <sup>1</sup>	Punctuation	<b>100</b>	<b>100</b>	DJSI score <b>&gt;95/100</b> in period 2024-2026	
	Employees trained in at least one ethics and compliance course in the last three years	% of employees	<b>N/A</b>	<b>89</b>	<b>&gt;75</b>	<b>&gt;75</b>
	Presence of women on ENDESA's Board of Directors	% of women	<b>42</b>	<b>42</b>	At least <b>40%</b> on the Board of Directors in the 2024-2026 period	
	Evaluation of the Board of Directors with the support of an independent consultant	No. of three-yearly assessments	<b>Performed</b>	<b>Performed</b>	<b>1</b> three-year assessment	

<sup>1</sup>Average valuation of the subsections: "Codes of conduct", "Codes of conduct: coverage", "corruption and bribery" "Corruption and bribery cases" and "reporting on breaches" from the DJSI "Codes of conduct"

### Objectives



New



Redefined objective

## Actions to highlight

1. Implementation of an Internal Protection System for Informants that ensures several core aspects such as the right to submit reports anonymously, a ban on all forms of retaliation, the implementation of support measures and the special protection of personal data.

The scope of the information provided in this chapter covers both Endesa, S.A. and its investee companies in Spain and Portugal. The scope is the same as in the Legal Documentation reports. For further information, see sections 2.1.2.6. *Organisational structure* and 2. *Report Coverage*

(ANNEX I: Methodology for Preparing the Report). Possible variations on the scope described here are presented throughout the chapter, where appropriate.

#### 4.7.2.1. Corporate Governance Model

##### 4.7.2.1.1. Leadership of the Board of Directors

The Board of Directors is the body to which the broadest powers and functions correspond to manage, direct, administer and represent the Company.

As a general rule, the Board shall entrust daily management of the Company to the delegated administrative bodies and shall focus its activities on supervising and discussing matters of particular importance to the Company and its group of companies.

#### 2-9/2-10/2-11/405-1

##### COMPOSITION OF ENDESA'S BOARD OF DIRECTORS AND BOARD COMMITTEES

Position on the board	Name of director	Category of director	Date of first appointment
Chairman	Mr. Juan Sánchez-Calero Guilarte	Independent	12 April 2019
Vice Chairman	Mr. Flavio Cattaneo	Proprietary	20 June 2023
Chief Executive Officer	Mr. José D. Bogas Gálvez	Executive	7 October 2014
Member	Mr. Stefano De Angelis	Proprietary	22 September 2023
Member	Mr. Gianni Vittorio Armani	Proprietary	25 July 2023
Member	Ms. Maria Eugenia Bieto Caubet	Independent	5 May 2020
Member	Mr. Ignacio Garralda Ruíz de Velasco	Independent	27 April 2015
Member	Ms. Pilar González de Frutos	Independent	5 May 2020
Member	Ms. Francesca Gostinelli	Proprietary	29 April 2022
Member	Ms. Alicia Koplowitz y Romero de Juseu	Independent	5 May 2020
Member	Mr. Francisco de Lacerda	Independent	27 April 2015
Member	Ms. Cristina de Parias Halcón	Independent	29 April 2022
Non-Director Secretary	Mr. Borja Acha Besga		1 August 2015

The Board of Directors Regulations stipulate that the Appointments and Compensation Committee shall propose to the Board of Directors a specific and attestable Director Selection Policy, so as to ensure that the proposed appointments of directors are based on a previous analysis of the skills required by the Board, and which favors a diversity of knowledge, experiences, age and gender. For more information on the members of the Board of Directors, see the *Annual Corporate Governance Report Section C.1.2 Board*, as well as its powers in Appendix H.1 to the Annual Corporate Governance Report or the Endesa website<sup>46</sup>.

During 2023, the Board of Directors held 14 meetings, with 91.45% participation by the directors. The Chairman was present at every meeting.

##### ENDESA BOARD OF DIRECTORS

Total Directors	12
Non-executive directors	11
Independent Directors	7
External proprietary Directors	4
Shares owned or controlled by members of the Board of Directors or related persons	262,481

<sup>46</sup> <https://www.endesa.com/en/shareholders-and-investors/corporate-governance/governance-annual-reports>



In accordance with Endesa's Bylaws, the term of office of Director is four years. Directors may be re-elected for periods of like duration.

The Board of Directors constituted, in accordance with the provisions of law, the Audit and Compliance Committee and the Appointments and Remuneration Committee. In September 2020, Endesa's Board of Directors also set up the Sustainability and Corporate Governance Committee, which is responsible for advising the Board of Directors and for supervision in environment aspects and those related to sustainability, such as human rights, diversity and the strategy for social action, as well as the Company's corporate governance strategy, among others.

The modification of the Sustainability and governance committee regulations in February 2022 has enhanced the competencies of the Sustainability and Corporate Governance Committee in relation to climate change, expressly including a duty to regularly review the climate change policies, and to ensure that the Non-Financial Statement includes information on the Company's risks and objectives in relation to climate change.

During 2023, issues related to climate change have been discussed in 2 of the 5 meetings of the Sustainability and Corporate Governance Committee. For more information on Endesa's committees and its members of the Board of Directors, please consult the section of the Annual Corporate Governance Report - C.2 Committees.

## **2-10**

Article 9 of the Board of Directors Regulations – Selection, appointment, ratification and re-election of Directors establishes that: "*The Board of Directors, at the proposal of the Appointments and Compensation Committee, shall approve a specific and attestable policy for selecting candidates for the office of director, ensuring that the proposed appointments of directors are based on a previous analysis of the needs of the Board, and which favors a diversity of knowledge, experiences, age and gender.*"

In this regard, on 10 November 2015 the Board of Directors approved a concrete and verifiable Policy for the selection of Directors (last amended on 21 December 2020, in order to technically improve the content of the Policy and to adapt to the best corporate governance practices). In particular, this Policy aims to incorporate professional experiences and skills and different management skills (including those specific to the business carried out by the Company, as well as economic/financial, accounting and auditing, internal control, financial and non-financial business risk management, legal and sustainability-related skills), as well as to promote age and gender diversity.

This policy promotes gender diversity through Article 5: "*Endesa understands that diversity in all its forms, at every level of its professional team, is a key component to ensuring the Company's competitiveness and also plays a key role in its corporate governance strategy that ensures a critical attitude, as well as the expression of different points of view and positions and the analysis of its strong and weak points.*"

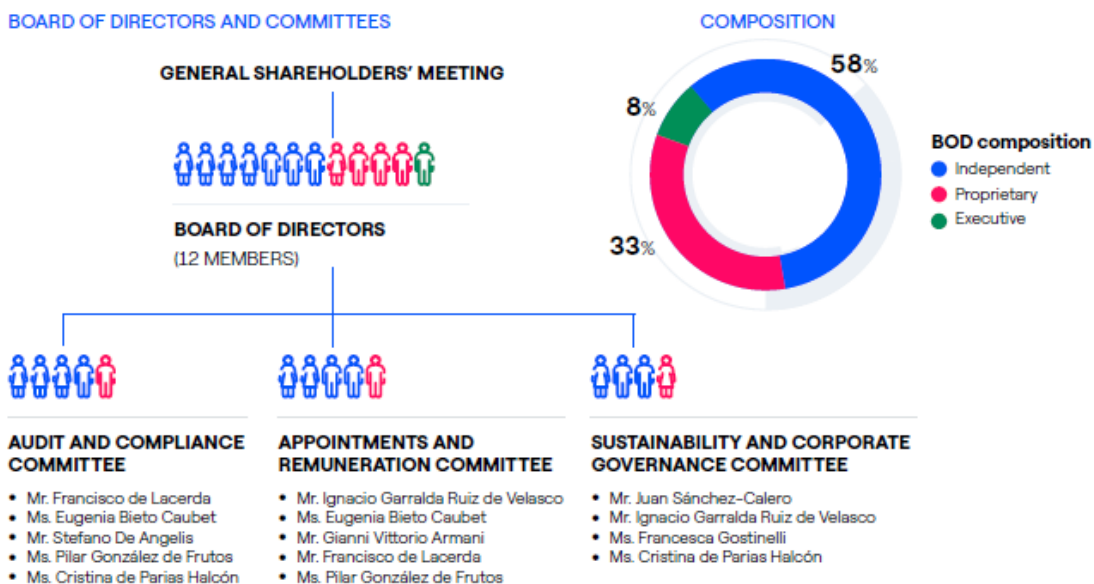
For this, it ensures equal opportunities and fair treatment in the management of people at all levels, maximizing the value contribution of those elements that differentiate people (gender, culture, age, abilities, nationality, etc.) within the Board of Directors, the Audit and Compliance Committee, the Appointment and Compensation Committee and the Sustainability and Governance Committee, taking into account the limitations presented by the smaller size of the Committees.

In this regard, the Director Selection Policy shall promote the objective of having female directors account for at least 40% of the total number of Board members from the end of 2022 and shall account for no less than 30% before that time. As of December 31, 2023, the percentage of women on the Board of Directors is 42%.

In order to promote gender diversity among senior management, Endesa's succession plans require that at least half of the candidates be women.

## CORPORATE GOVERNANCE STRUCTURE

### BOARD OF DIRECTORS AND COMMITTEES



## COMPOSITION OF THE BOARD OF DIRECTORS

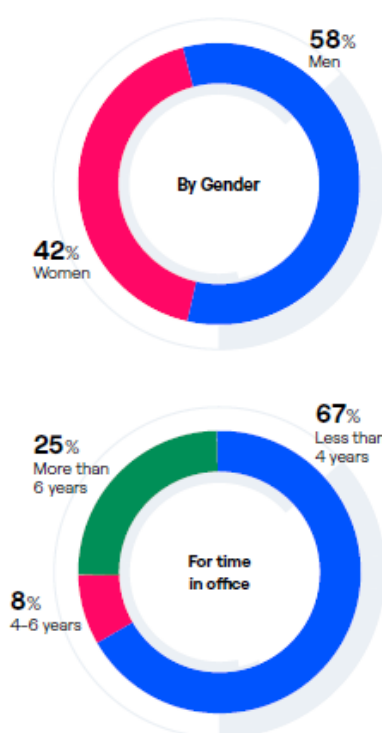
### BOARD OF DIRECTORS AND COMMITTEES

<b>Mr. Juan Sánchez-Calero</b>	BOD Chairman Chairman SC and GCC
<b>Mr. Flavio Cattaneo</b>	BOD Deputy Chairman
<b>Mr. José D. Bogas Gálvez</b>	Chief Executive Officer
<b>Mr. Stefano De Angelis</b>	BOD Member Member CAC
<b>Mr. Gianni Vittorio Armani</b>	BOD Member CNR Member
<b>Ms. Eugenia Bieto Caubet</b>	BOD Member Member CAC CNR Member
<b>Mr. Ignacio Garralda Ruiz de Velasco</b>	Member BOD and SC and GCC CNR Chairman
<b>Ms. Pilar González de Frutos</b>	BOD Member Member CAC and CNR
<b>Ms. Francesca Gostinelli</b>	BOD Member Member SC and GCC
<b>Ms. Alicia Koplowitz y Romero de Juseu</b>	BOD Member
<b>Mr. Francisco de Lacerda</b>	BOD Member CAC Chairman CNR Member
<b>Ms. Cristina de Parias Halcón</b>	BOD Member Member BOD and SC and GCC

BOD: Board of Directors.  
SC & GCC: Sustainability and Corporate Governance Committee.  
CAC: Audit and Compliance Committee.  
CNR: Nomination and Remuneration Committee.

● Independent ● Proprietary ● Executive

### DIVERSITY ON THE BOARD OF DIRECTORS



For more information on the members of the Board of Directors, see the Annual Corporate Governance Report section C.1.3, as well as its powers in *Appendix H.1 to the Annual Corporate Governance Report* or the Endesa website<sup>47</sup>.

## 2-9

Likewise, Article 9 of the Regulations indicates that “*Proposals for the appointment, ratification or reappointment of Directors made by the Board shall be made with regard to renowned persons who have the relevant experience and professional knowledge to perform their duties and who assume a commitment of sufficient dedication for the performance of the tasks inherent therein.*”

Additionally, regarding the Audit and Compliance Committee, article 23 of the Board of Directors Regulations states that “*The Board of Directors shall aim to appoint members to the Audit and Compliance Committee such that the members as a whole have knowledge and experience in financial and non-financial accounting, auditing, finances, internal control and risk management.*”

No member of the Board of Directors has held a position with a public authority in the two years prior to their appointment as a director. On the other hand, the composition of the Board of Directors does not include representation of employees or other workers.

### 4.7.2.1.2. Directors' Responsibilities, Duties and Remuneration

## 2-19/2-21

The corporate governance practices applied by Endesa are developed as part of the Corporate Governance Policy<sup>48</sup>, in the section on general principles of the corporate governance strategy. The content can be found in the Corporate Governance section of Endesa's website.

Details of Directors' remuneration can be found in the Annual Report on Directors' Remuneration of Listed Companies<sup>49</sup> and in the Directors' Remuneration Policy 2022-2024<sup>50</sup>, both of which are published on the Company's website.

The following is the average remuneration of the Directors in their capacity as such, in 2022 and 2023:

#### AVERAGE REMUNERATION OF DIRECTORS (THOUSAND OF EUROS)

	Total Average		Average for men		Average for women	
	2022	2023	2022	2023	2022	2023
<b>Remuneration of Board members</b>						
Fixed Assignment Board members	188	188	188	188	188	188
Board and Committee subsistence allowance*	33.8	37.8	39.1	36.6	30.7	38.7
<b>Remuneration of Board and Committee positions</b>						
Fixed Assignment Chairman of the Board of Directors	600	600	600	600	-	-
Fixed Assignment Chairman of the Audit and Compliance Committee	36	60	36	60	-	-
Fixed Assignment Chairman of the Appointments and Remuneration Committee	24	36	24	36	-	-
Fixed Assignment Chairman of the Sustainability and Corporate Governance Committee	24	36	24	36	-	-

\*The amount of the Board of Directors' allowances is the same for all members of the Board and committees, amounting to 1.5 thousand euros per session. The difference in the average values between men and women is calculated based on their membership on board committees, attendance and number of meetings.

<sup>47</sup> <https://www.endesa.com/content/dam/enel-es/endesa-en/home/investors/corporategovernance/annualreport/documents/2022/IAGC2022-CNMV-EN.pdf>

<sup>48</sup> [https://www.endesa.com/content/dam/enel-es/endesa-en/home/investors/corporategovernance/corporatepolicies/documents/Politica-de-Gobierno-Corporativo\\_22\\_01\\_2021\\_EN.pdf](https://www.endesa.com/content/dam/enel-es/endesa-en/home/investors/corporategovernance/corporatepolicies/documents/Politica-de-Gobierno-Corporativo_22_01_2021_EN.pdf)

<sup>49</sup> <https://www.endesa.com/content/dam/enel-es/endesa-en/home/investors/corporategovernance/directorscompensation/documents/IRC2022-CNMV-EN.pdf>

<sup>50</sup> <https://www.endesa.com/content/dam/enel-es/endesa-en/home/investors/corporategovernance/shareholdersmeeting/documents/junta-general-2022/016-Politica-Remuneraciones-Consejeros-EN.pdf>

Endesa's Board of Directors is made up of 12 Directors as of December 31, 2023. However, the data are calculated on the 7 Directors (three men and four women) who receive remuneration in their capacity as such. Of the other four remaining Directors (three men and one woman), all of them have waived all payment as Directors in their capacity as such; and the CEO does not receive remuneration in his capacity as a director, but as an executive of the company. Therefore, to avoid distorting the average, he has not been included.

There is no gender gap in the remuneration of Directors in Endesa, since the amounts of the remuneration items are the same for men and women. The difference in remuneration can be attributed to the fact that the positions of Chairman of the Board of Directors and the Committees have additional remuneration and in the case of Endesa, none of these positions are occupied by female directors. In addition, the difference in the averages between men and women with respect to attendance allowances is caused by membership or not of board committees, attendance and number of meetings.

The ratio between the total remuneration of the CEO of Endesa and the median **annual remuneration** of all Endesa employees in 2023 was 32:1, (37:1 in 2022).

## 2-15

The responsibilities and duties of the Directors are described in Endesa's Board of Directors Regulations<sup>51</sup> under HEADING VII DIRECTOR OBLIGATIONS, including their: Duty of Due Diligence (Article 25.bis of Endesa's Board of Directors Regulations), Duty of Loyalty (Article 26 of Endesa's Board of Directors Regulations), Duty of Confidentiality (Article 27 of Endesa's Board of Directors Regulations), Conflict of Interest (Article 28 of Endesa's Board of Directors Regulations), Duty of Disclosure (Article 28.bis of Endesa's Board of Directors Regulations).

### 4.7.2.1.3. Sustainability Governance and Management System

#### 2-9/2-12/2-13/2-14/

Endesa, through the Sustainability and Corporate Governance Committee, as part of the Board of Directors, has a sustainability governance and management system that involves the entire company, from the Board of Directors itself, as the highest governing body, to the Directorate-General for Sustainability, present on the Executive Management Committee, which assumes the functions of coordinating and promoting the sustainability strategy.

For more details on the role of governing bodies in sustainability management, see the section 2.2. *Sustainability Governance*.

### 4.7.2.2. Values and Pillars of Corporate Ethics

#### 2-24/2-26

Endesa is fully committed to complying with ethical principles and all current legislation and regulations in relations with its stakeholders, and in all the activities it carries out.

The company has a Code of Ethics, a Zero Tolerance Plan Against Corruption, and other regulations in accordance with the most advanced compliance models, which include the values, commitments and ethical responsibilities assumed by all its collaborators.

In addition, among other aspects, Endesa has established specific action protocols in order to guide the actions of its collaborators in relation to accepting and offering gifts and hospitality, as well as in dealing with public officials and authorities, a Defence of Personal Rights protocol and a Human Rights Policy.

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<sup>51</sup> [https://www.endesa.com/content/dam/enel-es/endesa-en/home/investors/corporategovernance/internalregulations/documents/Reglamento-Consejo\\_20\\_06\\_2023\\_EN.pdf](https://www.endesa.com/content/dam/enel-es/endesa-en/home/investors/corporategovernance/internalregulations/documents/Reglamento-Consejo_20_06_2023_EN.pdf)

Endesa also has a Criminal Risk Prevention and Anti-Bribery Model that complies with the regulations applicable to the Group on the criminal liability of legal persons.

The document “Criminal compliance and anti-bribery policy<sup>52</sup>”, available at [www.endesa.com](http://www.endesa.com), establishes the general principles of the criminal regulatory compliance system and summarises the main action guidelines applicable to all employees, which reflect key values of the company to achieve its business objectives and prevent the materialisation of criminal risks within the company.

The Code of Ethics, the Zero Tolerance Plan Against Corruption, the Criminal Regulatory Compliance and Anti-Bribery Policy, the Criminal Risk Prevention and Anti-Bribery Model, the Protocol of Good Practices in dealings with public officials and authorities, the Protocol regarding the acceptance and offering of gifts and entertainment and other documents can be viewed on the website: <https://www.endesa.com/en/shareholders-and-investors/corporate-governance/ethical-behaviour><https://www.endesa.com/en/shareholders-and-investors/corporate-governance/ethical-behaviour>

#### 4.7.2.2.1. Code of Ethics and Zero Tolerance Plan Against Corruption

### 3-3 Anti-Corruption Management Approach / Competition Regulatory Management Approach / Public Policy Management Approach / Socioeconomic Compliance Management Approach /205-2/205-3

Endesa is fully committed to complying with ethical principles and all current legislation and regulations in relations with its stakeholders, and in all the activities it carries out.

#### 415-1

To this end, the company has a Code of Ethics, updated to December 2021, and a Zero Tolerance Plan Against Corruption, which represent its pillars of ethical culture and integrity. These documents require that directors, managers and employees go about their duties and relationships with their stakeholders with integrity.

The Code of Ethics is composed of:

- Sixteen The general principles governing relations with stakeholders that define Endesa’s benchmark business principles in an abstract manner.
- Criteria for behaviour with regard to dealing with all stakeholders which provide guidelines and regulations which Endesa’s employees are required to adhere to in order to uphold the Company’s general principles and avoid unethical behaviour.
- Implementation mechanisms which describe the system for monitoring and enforcing compliance with the Code of Ethics as well as facilitating ongoing improvement.

In this regard, particularly and as established in its Code of Ethics: “*Endesa does not provide finance for political parties or their representatives or candidates in Spain or abroad; nor does it sponsor meetings or rallies whose sole purpose is political propaganda.*” For more information, see section 2.4.5.5. *Transparency in institutional relations* of chapter 2.4. *Our strategy for sustainable progress*.

Endesa also refrains from lobbying politicians directly or indirectly (e.g., by lobbying for the award of public concessions, accepting tendering suggestions, consultancy contracts, etc.).

The Zero Tolerance Plan Against Corruption, which represents Endesa’s specific commitment to the fight against corruption and total rejection of any form in which it is manifested, in compliance

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<sup>52</sup> <https://www.endesa.com/content/dam/enel-es/endesa-en/home/investors/corporategovernance/ethicalbehaviour/documents/criminal-risk-and-anti-bribery-prevention-2022.pdf>

with the tenth principle of the Global Compact, to which Endesa is a signatory: "The companies are committed to fighting corruption in all its forms, including extortion and bribery."

The Code of Ethics<sup>53</sup> and the Zero Tolerance Plan Against Corruption are available in the "Ethical Behaviour"<sup>54</sup> section of the company's website.

Endesa promotes a culture of compliance through employee training in this area, for which it designs a specific annual training and dissemination plan, focused on meeting the needs considered at all times or enhancing certain aspects.

The company provides an on-line course on the Criminal Risk Prevention and Anti-Bribery Model, which deals with crimes under the Spanish Criminal Code from which corporate criminal liability may ensue and arranges regular thematic sessions for different Endesa groups.

The aforementioned online course specifically contemplates aspects related to Anti-Corruption. Ten percent of the total workforce had completed this training at the end of December (9,035 employees, without considering ANAV), of which 44% are managers and middle managers, especially exposed groups. On the other hand, in the last 3 years, 89% of employees took at least one course on ethics.

All members of the Board of Directors receive a "welcome pack" with Endesa's Regulations and Policies, including the Code of Ethics and the Zero Tolerance Plan Against Corruption. In addition, new hires receive specific training in ethics and compliance.

In terms of supplier relations, in 2023, the company signed contracts with 1,711 suppliers in Spain and 118 in Portugal. All of them adhere to the general principles of the Criminal Risk Prevention and Anti-Bribery Model (which include Anti-corruption issues) when they sign the General Contract Terms and Conditions. In addition, it should be noted that there has been no termination of contract for corruption-related infractions.

Finally, there is no evidence of any ongoing corruption-related legal proceedings against the organization or its employees.

In addition, there are policies and procedures that regulate certain company processes that could prevent risks related to corruption.

All Endesa employees can consult the policies, protocols and procedures through the intranet. In case of any conflict of interests, the "*Action Protocol with regard to conflicts of interest, exclusive dedication and commercial concurrence*", regulates the action that Endesa collaborators (employees, executives, directors and external third parties contracted by Endesa) should take with regard to exclusive dedication and commercial concurrence, and to establish the rules to be followed where there are behaviours or situations that involve a potential direct or indirect conflict of interest between the Company and one of its collaborators.

#### 4.7.2.2.2. Corporate Integrity Protocols

### 3-3 Socioeconomic compliance management approach

Within the framework of ethical and compliance regulations, Endesa has, among others, the following corporate integrity protocols:

<b>Protocol for accepting and offering gifts and hospitality</b>	The purpose of this document is to establish clear principles of action to be followed by Endesa's Collaborators in all areas related to offering and accepting gifts and hospitality resulting from their interactions with civil servants, clients and suppliers, all with a view to ensuring Collaborator behaviour is in line with the Company's Code of Ethics and Zero Tolerance Against Corruption Plan.
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<sup>53</sup> <https://www.endesa.com/content/dam/enel-es/endesa-en/home/investors/corporategovernance/ethicalbehaviour/documents/Code-of-Ethics-2022-EN.pdf.pdf>

<sup>54</sup> <https://www.endesa.com/en/shareholders-and-investors/corporate-governance/ethical-behaviour>

<b>Protocol of good practices for relations with civil servants and government authorities</b>	The purpose of this document is to establish clear principles of action to guide the employees, officers, directors and third parties engaged by Endesa in their relations with civil servants and government authorities, to ensure excellence in the provision of services by Endesa, and to ensure that principles of transparency and rightfulness are applied in relations with the authorities
<b>Compliance Protocol – Defence of People's Rights</b>	Its purpose is to describe and prevent behaviours that could put people's rights at risk. In particular, the activities and bodies functioning of the protocol are described, as well as its operations.

These protocols and others related to human rights, anti-competition practices, complaints management, etc. are available on the company's website. <https://www.endesa.com/en/shareholders-and-investors/corporate-governance/ethical-behaviour>

#### *4.7.2.2.3. Endesa's Criminal and Anti-Bribery Risk Prevention Model and Competition Compliance Programme*

##### **3-3 Socioeconomic Compliance/2-23**

Organic Law 5/2010, of 22 June, reforming the Criminal Code, introduced the criminal liability of legal persons for the first time in the Spanish legal system. This regulation initially set out a list of crimes that could lead to legal persons being declared criminally liable. This list was subsequently extended following the entry into force of Organic Law 1/2019 and Organic Law 10/2022 of 6 September. This legal regime was amended by Organic Law 1/2015 of 30 March, establishing the requirement to maintain management and control systems that make it possible for legal persons to evidence their diligence as relates to criminal prevention and detection.

In accordance with Article 31 bis of the Criminal Code, Endesa has a Criminal Risk Prevention and Anti-Bribery Model<sup>55</sup> (hereinafter, the Model), in force since January 2012. The aim of the model is to prevent the commission of criminal offences in the field of its activity, from which criminal liability could arise for the company, complying with the provisions of article 31 bis of the Criminal Code, UNE 19601 (Criminal compliance management systems-Requirements with guidance for use) and UNE-ISO 37001 (Antibribery management systems-Requirements with guidance for use), standards in which Endesa has been certified since 2017.

Endesa's Criminal Regulatory Compliance and Anti-Bribery System (hereinafter, "Compliance System") consists of an integrated body of provisions, including the Criminal and Anti-Bribery Compliance Policy, which sets out the general principles that underpin the System. These principles consist of (i) compliance with the applicable regulations; (ii) the prevention, detection and proper response to Criminal Offences; (iii) the application of preventive actions; properly identify those activities in relation to which Criminal Offences may be committed; and encourage responsible, proactive behaviour of the members of its Organisation; (iv) the dissemination of both the Compliance System and the duty of all members of the Organization to report, in good faith, any events and/or conduct reasonably suspect of constituting a Criminal Offence, as well as the consequences of violating the Compliance System; (v) the provision of sufficient material and human resources for the management of the Compliance System; and (vi) The Criminal Regulatory Compliance System shall be reviewed and improved on a regular and continuous basis by the Supervision Committee.

For its part, and under the direct and exclusive supervision of the Audit and Compliance Committee (CAC) of the Board of Directors, the Supervision Committee (SC) of the Model

<sup>55</sup> <https://www.endesa.com/content/dam/enel-es/endesa-en/home/investors/corporategovernance/ethicalbehaviour/documents/criminal-risk-and-anti-bribery-prevention-2022.pdf>

exercises as its main activity the supervision of the Compliance System, as established in its Regulations. Specifically:

- **Definition of the control environment** related to the processes, ensuring their communication to the teams.
- **Evaluation:** Assess the design and operability of the control activities proposed in the model, as well as the associated risk.
- **Definition of action plans for deficiencies.**
- **Response to non-compliance**, in the event of any violation, Endesa applies the measures established in its Fifth Framework Agreement to ensure consistent treatment under current legislation. The SC coordinates the necessary investigations.
- **Updating and measuring compliance indicators** to monitor the main aspects of Endesa's Criminal Compliance and Anti-Bribery System and measure its effectiveness.

The Model has been structured on the basis of Endesa's taxonomy of processes and control environment, taking into account the principles and values that operate throughout the Organisation, the main instruments of which are: Code of Ethics, Zero Tolerance Plan Against Corruption, Human Rights Policy, Corporate Integrity Protocols, Internal and Procedural Regulations for the group, Set of Corporate Governance Rules, Financial Resources Management Model, System of Powers, Segregation of Duties Policy, IT General Controls and authorisation work flows.

These elements and their management include the appropriate surveillance and control measures to prevent infringements that could result in criminal liability for Endesa.

With a view to assessing and mitigating the risk of criminal offences being committed at the company as part of each of its processes, an inherent and residual risk assessment exercise is performed out on an ongoing basis. This exercise takes into consideration the organisational, corporate or procedural changes at the company, as well as any changes in legislation or other relevant changes that may affect the company, as well as taking into consideration the experience obtained from overseeing and implementing action plans in previous periods. To carry out this risk assessment, a defined methodology is followed that calculates, in terms of probability and impact, the value of the risk, concluding that the Endesa Model is solid and maintains an average assessment of medium-low risks in the last 3 years, with no relevant risks identified.

In addition to the criminal and anti-bribery risk assessment, a specific fraud risk analysis is carried out on all of the company's processes.

The Supervision Committee, composed of the Legal Advice, People and Organisation and Internal Audit departments, periodically informs the CAC through a representative of the results of its monitoring and risk assessment activity and, additionally, about the activities of implementation, updating, training and dissemination of the Compliance System.

Given Endesa's firm commitment and unwavering desire to comply with national and EU competition regulations, in line with international corporate governance best practices and, pursuant to the Guidelines on compliance programmes in relation to competition regulations published by the Spanish National Markets and Competition Commission in June 2020, the Audit and Compliance Committee approved the "Competition Compliance Program" at its session on 22 March 2021. The purpose of this programme is to introduce a structured system of procedures and supervisory activities to prevent anti-competitive practices at Endesa.

Endesa's Audit and Compliance Committee is responsible for supervising the running of and compliance with the Competition Compliance Programme (hereinafter, "Competition Programme"); as a result, at its March 2021 session it set up a specialist "Competition Committee" to control effectiveness and keep the Programme updated. The operating rules for the



Competition Committee have also been approved, including its powers and its main purpose, which includes controlling the Programme's effectiveness and updating it to prevent Competition risks that could cause liability for Endesa.

To this end, Endesa's Audit and Compliance Committee approved the policy for compliance with competition law at its session on 26 July 2021, which sets out the general principles that inspire the content and application of all its internal corporate rules as well as the actions of its Organisation. These principles consist of (i) full respect for the provisions of current legislation and in accordance with the provisions of its Competition Programme; (ii) The prevention, detection and suitable reaction to infringements regarding competition; (iii) the promotion of preventive conduct, adequately identifying the activities within the scope of which breaches of the Competition Defence regulations may be committed and promoting proactive and responsible behaviour by the members of its Organisation; (iv) the dissemination of both the Competition Compliance Policy and the duty of all members of the Organisation on facts or conduct that are reasonably suspected of constituting Infringements regarding Competition and the consequences of infringements; (v) the provision of sufficient material and human resources for the management of the Competition Programme; and (vi) the periodic review and continuous improvement of the Competition Programme by the Competition Compliance Committee.

The main activities performed by Endesa in terms of the effective implementation of the Compliance System and Competition Programme involve the assessment of risks and control activities and the supervision thereof, thus guaranteeing its design and operational efficiency. For more information, see section 2.4.1. *Risk management*.

#### 4.7.2.2.4. Measures to Combat Money Laundering

Endesa does not fall within the subjective scope of application of Law 10/2010 of 28 April 2010 on the prevention of money laundering and terrorist financing (Article 2) and the other regulations implementing the Law or the applicable community regulations. However, it reaffirms its commitment to fully comply with the relevant legal provisions in this area as far as they are applicable in Endesa's commercial transactions.

As a result of the foregoing, Endesa's Criminal Risk Prevention and Anti-Bribery Model expressly establishes the crime of money laundering as being within its scope of application, which is considered an appropriate and sufficient measure to prevent the commission of such criminal offences, in view of the nature of Endesa's activity. The Endesa Model includes 18 specific control activities against the risk of money laundering for the Group's different Companies, including:

- Verifying compliance with the General Contract Terms and Conditions (CGC) in contracts with suppliers, which include a clause on commitment with the anti-money laundering regulations.
- The analysis of counterparties and their possible inclusion in lists of organizations linked to money laundering activities in order to verify the reliability of suppliers.
- The inclusion of clauses in all contracts with suppliers, related to the commitment to the Code of Ethics, the Zero Tolerance Plan Against Corruption and other Endesa criminal risk prevention regulations.

#### 4.7.2.2.5. Internal Protection System for Informants

##### 205-3/205-1/2-25/2-26/3-3 Anti-Corruption Management Approach

In June 2023, Endesa adopted the necessary measures to ensure compliance with Law 2/2023, of 20 February 2023, regulating the protection of people who report regulatory infractions and the fight against corruption, implementing an Internal Whistleblower Protection System to this end. This system consists of a compliance model that includes, among other measures, a Policy, a Procedure for Managing the facts reported and a person in charge, enabling the appropriate management of the same through the relevant Internal Channel.

The Internal Protection System ensures, inter alia, the right to report concerns anonymously, the prohibition against any form of retaliation, support measures and the special protection of personal data, providing further proof of Endesa's commitment to complying with the most advanced ethical and regulatory compliance principles in this regard.

Endesa has a Reporting Channel so that all its stakeholders can securely and anonymously communicate any irregular, unethical or illegal behaviour which, in their opinion, may occur in the course of the Company's activities. It is the responsibility of each individual to make proper use of the channel, using it only and exclusively to communicate facts in good faith. The platform on which this channel operates is managed by an external and independent firm, which deals with all complaints or communications to ensure total security and confidentiality. Reports are investigated and managed by Internal Audit, using a method that ensures they are treated consistently. <https://secure.ethicspoint.eu/domain/media/es/gui/102504/index.html>

The Audit Department is responsible for ensuring all complaints received are processed correctly. This department acts independently of the opinions of all other departments within the organisation. You have access to all the company documents necessary for the exercise of your duties.

However, the communication of facts with knowledge of their falsity or reckless disregard for the truth could lead to criminal or civil liability, under the terms contemplated in the current legislation.

During 2023, the Company complied fully with all the processes established for the correct application of the compliance regulations.

In 2023, 12 incidents were reported, mainly in relation to harassment, via the Reporting Channel. Of the total, 11 cases are closed, 3 non-compliances have been identified, and 1 is still under investigation.

From the total number of complaints filed, three were in relation to conflicts of interest or fraud against the company, all of which were resolved without identifying any breach. There have also been no cases of non-compliance due to corruption or money laundering.

As regards breaches of the Code of Ethics, it has been found that there were 2 related to the incorrect billing of a very minor amount by a supplier and the unauthorised sale of a Value Added Service (VAS) contract to a customer, without their consent; the appropriate measures have been taken in relation to these breaches.

In addition, 1 breach has been confirmed in relation to an event of harassment, with the corresponding measures having been taken, activating the Incident Response Protocol established in the Endesa Collective Framework Agreement. Such information is subject to the obligation of confidentiality imposed by the applicable regulations, particularly in terms of the protection of personal data.

#### COMPLAINTS RECEIVED<sup>1</sup> - IBERIA

	Complainant		Affected or potentially affected interest group	
	2022	2023	2022	2023
Customers	3	2	4	3
Employees	0	3	4	5
Suppliers	1	2	3	1
Shareholder	0	0	1	3
Community	0	0	0	0
Anonymous	8	5	0	0
<b>Total</b>	<b>12</b>	<b>12</b>	<b>12</b>	<b>12</b>

<sup>1</sup> Number of reports received in the Reporting Channel for irregular, unethical or illegal conduct that occurs in the development of activities (excluding those of an operational nature and those referring to cases already analysed).

#### STATUS AND CONCLUSION OF REPORTS RECEIVED<sup>1</sup>

	2020	2021	2022	2023
Closed	4	7	12	11
Breaches <sup>2</sup>	0	1	3	3
Unfounded	4	6	9	8
Open	0	0	0	1

<sup>1</sup> Number of reports received in the Reporting Channel for irregular, unethical or illegal conduct that occurs in the development of activities (excluding those of an operational nature and those referring to cases already analysed).

<sup>2</sup> Number of irregular, unethical or illegal behaviours that occur in the development of activities and constitute a breach of the principles established in the company's Code of Ethics, which may or may not constitute a criminal offence depending on the case.

#### NON-COMPLIANCES<sup>1</sup> PER TYPE

	2020	2021	2022	2023
Conflicts of Interest / Corruption <sup>2</sup>	0	1	0	0
Fraud or theft against the Company / Misuse of resources	0	0	1	0
Labour practices <sup>3</sup>	0	0	1	1
Community and society	0	0	0	0
Human rights	0	0	0	0
Other <sup>4</sup>	0	0	1	2
<b>Total</b>	<b>0</b>	<b>1</b>	<b>3</b>	<b>3</b>

<sup>1</sup> Number of irregular, unethical or illegal behaviours that occur in the development of activities and constitute a breach of the principles established in the company's Code of Ethics, which may or may not constitute a criminal offence depending on the case.

<sup>2</sup> There were no breaches in 2023 related to conflicts of interest, corruption or money laundering.

<sup>3</sup> Includes reports in relation to Discrimination. In period 2021-2023 there have been no breaches related to discrimination.

<sup>4</sup> The cases identified as Other relate to the improper billing of a minor amount by a supplier and the improper sale of a Value-Added Service (SVA) contract to a customer, without their consent, as explained above.

In 2023, the Audit Function's plan included the analysis of the adequacy of the internal control system in relation to the "Anti-Bribery Management System" for all the Group's business lines and staff functions. The specific audit work programmes have included the verification of the risk assessment and the suitability of the design and functioning of the controls as a complement to the periodic and sampling procedures provided for in the Compliance Programme adopted by Endesa.

#### 4.7.2.2.6. Litigation

##### 206-1

The total number of litigation cases concerning monopolistic practices and practices that prevent free competition is 3, with fines totalling Euros 10.4 million.

The three cases are described below:

#### **Energía XXI Comercializadora de Referencia, S.L., Sociedad Unipersonal**

In June 2017, the CNMC agreed to initiate sanction proceedings against Endesa Energía XXI Comercializadora de Referencia, S.L.U. for allegedly committing practices contrary to Article 3 of Competition Law 15/2007 ("LDC") consisting of using the bills of clients availing themselves of PVPC/LRT to publicise the services offered by the deregulated supplier or direct them to the Service Points linked to the deregulated supplier. On 20 June 2019, the CNMC issued a Resolution in case S/DC/0552/15, imposing a fine of Euros 5.5 million on Energía XXI, S.L.U. This Ruling has been appealed before the National Court, with a request for the precautionary suspension of its enforcement. In June 2020, the National High Court issued an Order suspending the enforcement of the fine. On 30 October 2023, the National High Court issued a ruling that dismissed the appeal filed by Energía XXI. That judgment will be appealed in cassation.

### **Endesa Generación, S.A.U.**

On 2 March 2018, the Decision of the European Commission of 27 November 2017 in the SA case was published in the Official Journal of the European Union. 47,912, *environmental incentive for coal-fired power plants*.

By that decision, the European Commission's Directorate-General for Competition ("Commission") agreed to initiate a formal investigation procedure pursuant to Article 108(2) of the Treaty on the Functioning of the European Union ("TFEU"), in order to determine whether the incentive for environmental investment ("Incentive") for coal-fired power plants provided for in Order ITC/3860/2007 constitutes State aid compatible with the internal market. According to the literal wording of the Decision, the Commission has reached the preliminary conclusion that the Incentive constitutes State aid within the meaning of Article 107.1 TFEU and has doubts about its compatibility with the internal market, since it considers that it constitutes aid to investments made solely for the purpose of adapting coal-fired power plants in line with Community environmental standards, in particular Directive 2001/80 on large combustion plants.

On 13 April 2018, Endesa Generación S.A., in its capacity as a third party interested in the proceedings, submitted a written statement of allegations to the Directorate-General.

Subsequently, on 30 July 2018, the appeal lodged by Naturgy before the General Court of the European Union against the decision of the European Commission initiating the investigation procedure in question was published in the OJEU.

In September 2021, the General Court dismissed the action brought by Naturgy. Naturgy and EDP have appealed the ruling to the CJEU. Endesa Generación S.A.U. has entered an appearance in the appeals as intervenor. By notification of 1 February 2023, the CJEU Secretariat decided to join the cases and not to hold an oral hearing. On 13 July 2023, Advocate General G. Pitruzzella delivered his opinion, proposing that the Court of Justice of the European Union should set aside the judgment of the General Court under appeal and annul the decision of the European Commission to initiate the formal investigation procedure.

On 14 December 2023 the Court of Justice of the European Union decided to set aside the judgment of the General Court under appeal, as well as the decision of the European Commission, bringing the court proceedings in favour of the interests of Endesa Generación to an end, insofar as it was the recipient, together with other recipients, of the Incentive that, had it been declared as State aid incompatible with the internal market, it would have been required to repay. The proceedings are therefore considered complete.

### **Enel Green Power España S.L., Sociedad Unipersonal**

On December 14, 2020, the Competition Directorate of the CNMC notified Enel Green Power España, S.A. of the initiation of a sanctioning proceeding for alleged abuse of dominant position in the market for access and connection to the transmission grid in certain nodes with effects on the related electricity generation market. According to the CNMC, Enel Green Power España, S.A. allegedly used its status as a Single Hub Partner (IUN) to favour companies in its own Group to the detriment of third-party generators.

Following an investigatory process, on 13 June 2022, CNMC Resolution of 10 June 2022 was ratified imposing a penalty of Euros 4,900,000 on Enel Green Power España S.L.U. and, jointly, to Endesa Generación S.A.U. for the alleged abuse of a dominant position in the market for accessing the transport network at the Tajo de la Encantadas and Lastras nodes. On July 29, 2022, Enel Green Power España S.L.U. and Endesa Generación S.A. appealed against the aforementioned Resolution of the CNMC, with a request for precautionary suspension of the execution of the Resolution. The National Court issued an Order dated 13 December 2022 agreeing to injunctive relief against the execution of the fine, conditional on the provision of a guarantee for the amount of the penalty. On April 20, 2023, a statement of claim was filed and, on October 30, a response was served by the State Attorney.

There is another dispute related to compliance with electricity sector regulations. The value of the fine amounts to 5.8 million euros:

### Endesa Generación, S.A., Sociedad Unipersonal

On 30 November 2017, the CNMC agreed to initiate disciplinary proceedings against Endesa Generación, S.A. for alleged illegal alteration of the dispatch of the Besós Combined Cycle Power Plant, groups 3 and 5, in the period October 2016 - January 2017 (File SNC/DE/174/17). The CNMC considers that ENDESA Generación, S.A. proceeded to assign abnormal or disproportionate price values to the daily market offers of groups 3 and 5 of the Besós combined cycle plant, in the period October 2016 - January 2017, in order to exclude these groups in said market, and for the programming to take place within the framework of the process of technical restrictions. According to the CNMC, this conduct occurred in the company's full knowledge of the high probability of allocation in said process, where it would earn more than in the daily market. The pleadings have been made in these proceedings, without acknowledging responsibility for the facts and justifying the behaviour as being consistent with applicable regulations. Endesa Generación, S.A. presented its electricity offers based on the variable costs of natural gas that it had incurred in that period. Finally, the CNMC imposed a fine of 5.8 million euros on Endesa Generación, S.A.U. Endesa has appealed against this fine before the National Court, with a request for a precautionary measure to suspend the fine, providing a bank guarantee. The precautionary suspension having been rejected, the fine has been paid. The appeal is currently awaiting judgment, and no date has been set for the vote and ruling.

### Environmental Sanctions and Number of Environmental Legal Cases

2-27

#### FINES AND ENVIRONMENTAL LEGAL CASES

	2023
Fines for non-compliance with laws and regulations that occurred in the current <sup>1</sup> reporting period	0
Fines for non-compliance with laws and regulations occurring in previous reporting periods <sup>2</sup>	125,156.19 €
Cases in which non-monetary penalties were incurred <sup>3</sup>	0
Cases for which fines were incurred <sup>4</sup>	0
Total number of environmental litigations as a defendant <sup>5</sup>	6

For the period covered by the report, the information provided refers to the company EDistribución Redes Digitales, S.L under the criteria set out below:

<sup>1</sup>Amounts of environmental fines/sanctions equal to or greater than Euros 10,000, for events that occurred and were paid in the year of the report in which we are defendants in judicial or administrative proceedings, regardless of whether the fine/penalty is final or can be appealed.

<sup>2</sup>Amounts of environmental fines/penalties equal to or greater than Euros 10,000 for events that occurred in years prior to the year of the report and paid in the year of the report in which we are defendants in judicial or administrative proceedings, regardless of whether the fine/penalty is final or can be appealed.

<sup>3</sup>Number of administrative (non-judicial) proceedings without a monetary fine/penalty.

<sup>4</sup>Number of administrative proceedings (out-of-court) with a fine/monetary sanction equal to or greater than Euros 10,000.

<sup>5</sup>Number of environmental legal actions as a defendant in judicial proceedings, pending at the end of the reporting year, regardless of the year in which they were initiated and their amount.

### Claims and Fines Relating to the Health and Safety Impacts of Products and Services

416-2/EU25

In 2022, there were no incidents resulting from non-compliance with legal regulation or voluntary codes relating to the health and safety impacts of products and services that resulted in a fine or penalty, or a warning.

#### Tarifa Case

In August 2017, a fortuitous incident was registered at an Endesa transformer centre located on the N-340 next to Valdevaqueros in Tarifa, which led to a deflagration that caused the death of two workers at the 100% Fun Hotel where the transformer centre was located, and injuries to another six workers at the hotel. From the outset, Endesa made itself available to the Local Public

Administration to convey its condolences to the families of all the injured and deceased, offering to support in whatever was required, and providing the help that was requested.

An investigation into the accident was immediately launched, and the various expert reports concluded that the cause of the explosion was fortuitous and totally exceptional. The transformer was in normal working order, halfway through its useful life, with all regulatory reviews carried out and complying with current regulations.

Regarding its management of and response to the incident, Endesa acted in accordance with its internal protocols for managing critical events, acting quickly and collaborating with the different public services involved. The company also installed a generator to guarantee power supply to the 13 clients affected until the supply was returned to normal.

As a preventive measure, Endesa stepped up its winter programme to review the state of the power distribution grid and transformer centres, expanding its scope, analysing a greater number of centres and increasing inspection work.

In relation to the court proceedings, each of the three technicians convicted were fined the minimum amount of Euros 4,500 corresponding to two charges of homicide by less serious negligence and six charges of injury to each of the aforementioned technicians for the total amount of Euros 2,808,393.99 in the form of civil compensation to Endesa. The judgment is final and Endesa has complied with its criminal and civil responsibilities.

### **Claims and fines relating to non-compliance regarding information and labelling of products and services**

#### **417-2**

With regard to Endesa Energía, S.A., Sociedad Unipersonal and Energía XXI Comercializadora de Referencia, S.A., Sociedad Unipersonal:

- There was no non-compliance with regulations governing the information and labelling of products and services resulting in a fine.
- There was no breach in this matter that resulted in a warning.
- There have been no breaches of the voluntary codes relating to the information and labelling of products and services.

### **Claims and Fines Related to Marketing Communications**

#### **417-3**

With regard to Endesa Generación, S.A., Sociedad Unipersonal, Enel Green Power España, S.L, Sociedad Unipersonal and Energía XXI Comercializadora de Referencia, S.A., Sociedad Unipersonal, there were no incidents resulting from non-compliance with the regulations and voluntary codes relating to marketing communications, including advertising, promotion and sponsorship.

### **Claims and Penalties Related to Late Payments**

Endesa is not aware of the existence of legal proceedings currently pending for delays in payments to suppliers in which Endesa appears as a defendant.

### **Data Protection Complaints**

#### **418-1**

So far in 2023, a total of 6,256 duly substantiated internal complaints have been received in Spain and Portugal in as regards possible breaches of privacy, distributed as follows:

- 167 to e-Distribution.

- 3,936 at Endesa Energía (Spain).
- 365 at Energía XXI.
- 225 at Endesa X Servicios.
- 19 at Endesa X Way.
- 1,544 at the Endesa Energía subsidiary in Portugal.

No complaints were received from suppliers in Spain or Portugal in 2023 in relation to privacy or leaks of personal data.

During 2023, the Spanish Data Protection Agency (AEPD) filed a total of 63 administrative proceedings, although most of them were archived since the incidents leading to the complaints were unfounded or were resolved applying the mechanisms for mediation and amicable resolution of cases.

#### ADMINISTRATIVE PROCEEDINGS INITIATED BY THE SPANISH DATA PROTECTION AGENCY (AEPD)

		2022				2023			
		Archived/Not admitted for processing	Open	Penalising	Total	Filed/Not Admitted for Processing	Open	Penalising	Total
Endesa (Spain)	Energía	39	13	2	54	30	6	2	42
	Energía XXI	2	1	-	3	12	1	-	13
	Endesa X Services	4	1	-	5	5	0	-	5
	e-Distribution	1	-	-	1	1	2	-	3
<b>Total</b>		46	15	2	63	48	9	2	63

During 2023, two fines were imposed on Endesa Energía, one of them for the sum of Euros 56,000 and the other for the sum of Euros 6,100,000. This last sanction relates to a security breach suffered in Endesa Energía's systems. On 22 December 2023, an application for judicial review was filed before the National High Court and the precautionary suspension of the sanction was requested, for which a decision remains pending.

#### ADMINISTRATIVE PROCEEDINGS INITIATED BY THE COMISSÃO NACIONAL DE PROTECÇÃO DE DADOS (CNPD)

		2022				2023			
		Request for clarification	Draft decisions	Final Decisions	Total	Request for clarification	Draft decisions	Final Decisions	Total
Endesa (Portugal)	Energía	1	23	18	42	1	75	3	79

Endesa Energía branches in Portugal received 79 draft decisions in 2023 (all pending final decision) and 1 request for clarification from the data protection authority in Portugal, the *Comissão Nacional de Protecção de Dados* (the "CNPD").

Likewise, 3 final rulings have been handed down by the CNPD, of which 2 resulted in the imposition of fines for a total amount of Euros 12,500. However, consideration must be given to the fact that one of the final rulings leading to the imposition of a fine, for the sum of Euros 5,000, was appealed before the courts, as Endesa was convicted of making a direct marketing call without the consent of the interested party; however, the number from which the call was made was not a number belonging to Endesa or any of its Service Providers.

In addition, the other final ruling resulting in the imposition of a Euros 7,000 fine combined two deliberation processes. In other words, Endesa was accused of two administrative offences; however, the CNPD decided that the case was in relation to single, ongoing administrative offence, and therefore decided to impose a penalty through this means.

The number of draft decisions filed by CNPD has increased, although we currently expect to receive, in addition to the draft decisions regarding contacts made in 2023, those relating to contacts made in 2021 and 2022.

In addition, throughout 2023, 11 security breaches were identified in Spain and Portugal. Two of these were reported to the Spanish Data Protection Agency by eDistribución. One breach was reported to the Portuguese Data Protection Committee by the Portuguese branches of Endesa Energía, Endesa X, and Endesa Generación Portugal. These breaches surpassed the thresholds that determine whether to report the incident to the supervisory authority.

As regards one of the breaches reported by eDistribución, the Spanish Data Protection Agency agreed to archive the actions initiated on the grounds that there was no evidence to suggest that no diligent action had been taken once the security breach was detected, or that the measures adopted in response to the incident were inadequate. As regards the other breach reported to the Spanish Data Protection Agency, although it was not filed by eDistribución systems, given its wide dissemination in the media, as well as communications with different public authorities, the decision was made to inform the Spanish Data Protection Agency.

In relation to the breach in the Portuguese branches and Endesa Generación Portugal, after CNPD had been informed of the breach, it made an additional request for clarification, with a request for the submission of documents and information, in order to verify that all the measures to be implemented had been carried out within the deadlines set for that purpose. Thus, all the information has been provided and all the requested documents have been sent, so the CNPD's final decision on the breach is awaited.

## **Tax Litigation**

### **207-4**







Information relating to tax lawsuits and arbitration is contained in Note 51 of the Notes to the consolidated financial statements for the year ended 31 December 2023. <https://www.endesa.com/en/shareholders-and-investors/financial-information>.



### 4.7.3. Occupational Health and Safety

Material Topics	Plan	SDGs
Occupational health and safety		

The targets of the Sustainability Plan (ESP) 2024-2026 and the closure of these indicators are shown below.

SDGs	Activities	Units	2022	2023	ESP Objectives 2024-2026	
					2024	2026
	Reduction of fatal accidents	No. of fatal accidents	0	1	0 in the 2024-2026 period	
	Reduction of the combined frequency index of accidents	-	0.33	0.35	0.34	0.33
	Promotion of the performance of safety inspections in own and contractor installations	No. of inspections	110,752	117,775	110,000 in the 2024-2026 period	
	Promotion of Safety ECoS (extra checking on site)	No. of ECoS	10	16	13 per year in the 2024-2026 period	
	Performing environmental ECoS (Extra Checking On Site)	No. of ECoS	6	15	11 per year in the 2024-2026 period	
	Promotion of medical examinations <sup>1</sup>	% of total employees	5,923 <sup>2</sup>	72.8	70	70

<sup>1</sup>The percentage of medical examinations includes the effect of mandatory annual medical examinations and other voluntary medical examinations coinciding, the frequency of which is biennial, as well as the impact of the ongoing risk re-assessment process on their distribution.

<sup>2</sup>Annual number of medical examinations.

#### Objectives



New



Redefined objective

### Actions to highlight

Among the main processes undertaken in 2023, the following 2 could be highlighted:

- **Process automation and optimisation:** The preventive training imparted in relation to the management of healthcare activity has increased and processes associated with or resulting from Onboarding and Transboarding have been improved.
- **Psychosocial risks:** Launch of a new assessment in relation to psychosocial factors and technostress amongst the entire workforce.

The scope of the information provided in this chapter covers both Endesa, S.A. and its investee companies in Spain and Portugal, the same as in the reports in the Legal Documentation. For more information, see sections 2.1.2.6. *Organisational Structure* and 2. *Report Coverage (ANNEX I: Methodology for Preparing the report)*. Throughout the chapter, possible variations of the perimeter described here, if any, are presented.

Data is also included relating to facilities over which Endesa does not have control in proportion to its shareholding, as is the case of nuclear facilities. Throughout the chapter, possible variations of the perimeter described here, if any, are presented.

#### **4.7.3.1. A safe and Healthy Environment**

##### **403-2/3-3 Occupational Health and Safety Management Approach /3-3 EUSS Employment Management Approach**

Endesa considers that continuous improvement in working conditions and occupational health and safety protection are key features of its corporate culture.

Endesa's Occupational Health and Safety Management System, in accordance with ISO 45001, consists of a series of responsibilities, processes and resources needed to manage the production process. The company's Senior Management, represented by the Chief Executive Officer, reviews the system every year.

With the aim of reinforcing risk awareness and promoting responsible behaviour to ensure that work is completed with good quality and without accidents, we also have a "Stop Work Policy". This initiative urges all workers to act quickly and stop any activity that poses a risk to their own or others' health and safety, any risky behaviour and any action, omission or situation that may create risk or cause an accident or damage.

Endesa specifies their inclusion in the Health and Safety strategy through the implementation of the occupational health and safety policies in all the companies that are part of the Group. Each company has its own specific preventive planning, as well as fully comprehensive specific work plans, emphasising not only the physical but also the emotional/psycho-social environment and the promotion of safe and healthy habits. These documents include the priorities, actions to be taken, who is responsible, the necessary budgets, frequency of monitoring, start and end dates for each goal, its indicators and the expected results, as well as the methods for measuring these objectives, with the aim of eliminating, controlling and reducing risks.

Endesa also verifies the effectiveness of workplace risk prevention in contracting companies through the "Contractor Assessment" programme. A company specialising in consultancy and auditing in workplace risk prevention assesses each company and, depending on the score obtained, either the qualification to be an Endesa contractor is granted or, on the contrary, an action plan is required to eliminate the identified gaps. Monitoring and control actions are conducted on the works, with analysis of each accident by a committee made up of experts, establishing corrective measures to prevent another similar situation from being repeated.

#### **Occupational Health and Safety Policy**

Endesa considers that the continuous improvement of working conditions, the protection of occupational health and safety (OHS) and its Health and Safety Management System (HSMS) is a fundamental value of its business culture. For this reason, an HSMS has been established in its organization based on the ISO 45001:2018 standard.

This policy is public and communicated to all stakeholders, including staff, partner companies, institutions, the business community, civil society, and local communities and customers. The Policy can be consulted on Endesa's website<sup>56</sup>.

##### **403-2/403-7**

The integration into Endesa's Occupational Health and Safety (OHS) strategy is specified in the implementation of occupational health and safety policies in all the companies that make up the group (each company has its own preventive planning), as well as in the implementation of

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<sup>56</sup> <https://www.endesa.com/content/dam/endesa-com/endesa-en/home/commitment/health-safety-policy.pdf>

specific work plans, emphasising not only the physical environment, but also in the emotional/psychosocial area and in the promotion of a safe and healthy lifestyle.

#### MAIN PILLARS DEVELOPED IN 2023

Awareness, Training and Participation in Occupational Health and Safety.

Health Surveillance.

Observation and control of activity.

Monitoring of collaborating companies.

Occupational Health and Safety Management System.

Innovation, improvements in equipment and technologies.

Automation and optimization of processes.

Psychosocial risks.

Endesa enforces its Health and Safety Policy at all the company's subsidiaries in the form of preventive planning and the corresponding action plans that each Group company must have in place to eliminate, control or reduce occupational risks.

These plans include the priorities, actions to be carried out, those responsible, the necessary budgets, frequency of monitoring, start and end dates of each goal, its indicators, the expected results, as well as the methods of measuring these objectives.

On the other hand, Endesa continuously analyses the advisability of establishing new prioritised corrective action programmes to eliminate the causes that have produced the Incidents and reviews the effectiveness of the actions undertaken.

Likewise, the Chief Executive Officer and the Management Committee participate in the process of continuous improvement, monitoring and compliance with the Health and Safety Policy. This participation focuses on the performance of qualitative and quantitative targets, behaviour by business, accident and absenteeism indicators, serious and fatal accidents. A decision may also be made to establish new action plans as a priority to be designed and implemented in each organisational area.

#### Occupational Health and Safety Management System

##### 403-1/403-8

Endesa has an Occupational Health and Safety Management System (OHSMS) in place, in accordance with ISO 45001, which is constituted by the set of responsibilities, processes and resources needed to carry out the management of the production process.

The guidelines, commitments and general objectives can be found in Annex IV of the system's manual: "Endesa's Safety, Health and Working Conditions Policy", compliance with which is essential for the proper functioning of the entire organisation. This policy is public and communicated to all interested parties: Staff, collaborating companies, institutions, business community, civil society and local communities, customers, etc.

To meet these commitments, we integrate prevention into all functional areas of the different Endesa companies. To this end, these areas of the organisation have their own action plans, preventive plans and qualitative and quantitative objectives, in order to eliminate, control or reduce risks.

These documents include the priorities, actions to be carried out, those responsible, the necessary budgets, frequency of monitoring, start and end dates of each goal, its indicators, the expected results, as well as the methods of measuring these objectives.

Likewise, the Chief Executive Officer and the Management Committee participate in the process of continuous improvement, monitoring and compliance with the policy. This participation focuses on the performance of qualitative and quantitative targets, behaviour by business, accident and absenteeism indicators, serious and fatal accidents. A decision may also be made to establish new plans or specific improvement actions, to be designed and implemented in each organisational area.

The revision of Endesa's OHSMS aims to ensure the appropriateness, adequacy, and continued effectiveness of the system itself. Senior management, represented by the CEO, revises the system every year.

### **Hazard identification, risk assessment and incident investigation**

#### **403-2/403-8/3-3 Occupational Health and Safety Management Approach**

Based on the procedures of Endesa H&S Management System, specifically, "ENDESA-SGSST-PG.02 - Identification of hazards, assessment and control of occupational risks" and "ENDESA-SGSST PG.11 - Control and investigation of incidents, non-conformity and corrective action", hazards are identified, risks are assessed, and incidents are investigated.

#### **GENERAL OCCUPATIONAL HEALTH AND SAFETY PROCEDURES**

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- ENDESA-SGSST-PG.02 - Identification of hazards, assessment and control of occupational hazards.
  - ENDESA-SGSST-PG.11 - Control and investigation of incidents, non-conformity and corrective action.
- 

The company, through the corresponding investigation committees and their reports, effectively conducts investigations and reaches conclusions about the incidents recorded and reported. This process culminates in the design of corrective actions so that such incidents do not occur again.

The purpose of the ENDESA-SGSST-PG 02 procedure is to establish the criteria for identifying hazards, assessing and controlling occupational risks as part of all work performed by Endesa's staff, as well as the risks related to other stakeholders associated with Endesa's facilities. Likewise, determine corrective actions to avoid and/or reduce such risks are included.

These criteria apply to all processes, practices, operations, equipment, products used and routine or non-routine activities not related to the different positions at the companies affiliated with Endesa's Joint Prevention Service and to any working condition, expressly including:

- The general features of premises and work areas, facilities, equipment, products, physical conditions of the workplace and other tools used in the workplace.
- The nature of the physical, chemical and biological agents present in the work environment and their corresponding intensities, concentrations or levels of presence.
- The procedures for the use of these agents with an influence on the generation of these risks and other operational procedures and the organisation of work.
- All other characteristics of work, including those relating to its organisation and management, with an influence on the magnitude of the risks to which the worker is exposed.
- Routine and non-routine activities.
- Potential emergency situations.
- The information received on the activities performed by subcontractors or visitors, as indicated in Endesa's OH&S system, is particularly relevant to sensitive workers.
- People in the immediate vicinity of the workplace who may be affected.
- Workers at a location that is not under Endesa's direct control.

- Situations in the vicinity of the workplace, whether or not controlled by Endesa.

Hazard identification and risk assessment is carried out as follows:

<b>Hazard Identification</b>	<ul style="list-style-type: none"> <li>➤ The JPS analyses the positions, with the involvement of the organisational areas where the activity subject to assessment is carried out.</li> <li>➤ The reporting chain, the workers' representatives for matters of prevention and the JPS analyse the data generated, establishing the risks that can be eliminated at facilities.</li> <li>➤ The corresponding Organisational Area, with advice from the JPS, is responsible for establishing an action plan for the elimination of these risks, informing the workers' representatives accordingly for the purposes of prevention and incorporating this action plan into the Area's preventive planning.</li> </ul>
<b>Risk assessment</b>	<ul style="list-style-type: none"> <li>➤ The risk assessment includes performing the necessary measurements, analyses or tests, with the exception of operations, activities or processes where direct and accredited professional assessment allows a conclusion to be reached without the need for them.</li> </ul>

The rating is set from Trivial to Intolerable, according to the following table:

Probability Level	Level of consequences		
	Low	Medium	High
Low	Trivial	Tolerable	Moderate
Medium	Tolerable	Moderate	Important
High	Moderate	Important	Intolerable

With regard to incidents, investigation and corrective actions and in accordance with the guidelines described in the ENDESA-SGSST-PG11 procedure, Endesa carries out:

- The identification, recording and classification of incidents and non-conformities detected.
- The handling of Incidents and Non-Conformities with a view to controlling and correcting them and dealing with their consequences.
- Investigation into the causes of incidents and non-conformities.
- The analysis of the suitability of establishing corrective actions to eliminate the causes leading to the incidents and non-conformities, with the involvement of workers and participation of other stakeholders, if necessary. Determination of whether similar incidents have occurred, if non-conformities exist, or if they could potentially occur.
- Review of risk assessments.
- The definition and implementation of any necessary actions, including corrective actions, pursuant to the hierarchy for established controls and change management.
- Assessment of risks related to new or changed hazards, before taking action.
- Review of the effectiveness of actions taken, including corrective actions.
- The archiving of all documents, data and records generated in the control of Non-Conformities and Incidents.
- If the implementation of Corrections and Corrective Actions causes changes in Endesa's Occupational Health and Safety Management System, the organization will ensure that these changes are incorporated into the management of workplace risk prevention.

The organization communicates this documented information to relevant workers and their representatives and other stakeholders.

As regards actions in response to an incident, for serious or fatal accidents, electrical accidents, accidents involving people falling from heights, fires at facilities and relevant or high-potential incidents, once the incident has been investigated, each affected organisational area will open a Non-Conformity report including, as a minimum, an analysis of the causes and the corrective and preventive actions reflected in the investigation report. These will complement (as applicable) those indicated by the corresponding organisational area.

Any person who detects or becomes aware of an incident involving either their own staff, contractors, subcontractors, third parties at Endesa facilities, or materials, shall immediately notify their manager (or contract manager, for external staff) and the latter shall forward the information accordingly:

- When the incident affects own staff, contractors and subcontractors, the organisational area to which the worker belongs or the area responsible for the contract for external staff as well as the organisational area that owns or manages the facility or assets, if this is not the same as the worker's affiliation.
- For all other cases (material incidents, third-party incidents, etc.), the organisational area that owns or manages the facility or asset.

Additionally, for serious, fatal or electrical incidents, people falling from heights, fires at facilities and other relevant incidents, the organisational area(s) will report the incident immediately over the phone, by instant messaging and/or email, in such a way as to ensure effective communication as soon as possible to the head of the organisational area, SPM and all members of the Occupational Health and Safety Committees (OHS Committees) affected, both in relation to the individual and the facility involved. The organizational units must have a system that guarantees immediate dissemination to all those affected described in this paragraph.

For the rest of the incidents, the same procedure as in the previous paragraph will be followed, reporting them within a time not exceeding 24 hours.

The Incident Report Document (PG11\_F02 form) must be filled in within 72 hours, signed and dated accordingly, preferably with a digital signature, by:

- When the incident affects own staff, contractors and subcontractors, the organisational area to which the worker belongs or the area responsible for the contract for external staff.
- For all other cases (material incidents, third-party incidents, etc.), the organisational area that owns or manages the facility or asset.

To investigate these accidents, fires and relevant or high-potential incidents, an investigation committee will be set up within 24 hours of the incident occurring by:

COMMISSION	COMPOSED OF:
<p><b>CASE 1</b> The organisational area responsible for the facility in question if it occurred at Endesa facilities or facilities managed by it</p>	<ul style="list-style-type: none"> <li>➤ Technical staff responsible for the organisational area of the installation, who will hold the role of coordinator.</li> <li>➤ Technical staff responsible for the worker's organisational area in case it does not coincide with the organisational area of the installation. It may act in the capacity of coordinator together with the technical staff responsible for the organisational area of the facilities.</li> <li>➤ JPS staff.</li> <li>➤ Workers' representatives in the field of OHS prevention, members of the OC or members of the higher OHS Committee.</li> </ul>

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**COMMISSION****COMPOSED OF:**

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**CASE 2**

The organisational area to which the worker belongs or the area responsible for the contract for external staff, if the incident has not occurred at facilities owned or managed by Endesa

- Technical staff responsible for the organisational area of the worker (own staff) or Technical staff responsible for the management area (external staff), one of whom will act as coordinator.
- JPS staff.
- Workers' representatives in the field of OHS prevention, members of the OC or members of the higher OHS Committee

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The Investigation Committee will issue, within a maximum period of 1 month, its report which, signed by all its members, will be sent to the Organisational Unit in question. In turn, it shall cascade the report to the rest of its organisation and the secretaries of the corresponding OHS Committee(s), as well as the Participation Committee (PC).

The commission of investigation of the incident will issue a report within a maximum period of one month. In case of minor accidents and non-relevant incidents, the investigation will be conducted by the Joint Prevention Service within a maximum period of one month (unless are justified reasons related to the investigation), a report to be sent to the secretary(s) of the affected OHS Committee, who will then cascade it to the other members of these bodies and to the head of the organisational area to which the facility belongs, who will be responsible for relating the report to the rest of their organisation.

In case of a serious, fatal or electrical incident, people falling from a height, fires at facilities or relevant or high-potential incidents, and once the investigation report has been signed off, the JPS will prepare the "Lesson Learned" document, pursuant to the provisions of the GDPR, which will be disseminated by email, by the affected organisational units within their remit and to the affected Occupational Health and Safety Committees, for it to be disseminated to other areas of Endesa.

**MINIMUM CONTENT OF THE "LESSON LEARNED" DOCUMENT**

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Description of the incident.

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Causes of the incident

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Corrective and/or preventive measures

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Illustrative image

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For serious or fatal accidents, electrical accidents, accidents involving people falling from heights, fires at facilities and relevant or high-potential incidents, once the incident has been investigated, each affected organisational area will open a Non-Conformity report including, as a minimum, an analysis of the causes and the corrective and preventive actions reflected in the investigation report. These will complement (as applicable) those indicated by the corresponding organisational area.

For the rest of the incidents, each affected organizational area will open the Non-Conformity report if the investigation report reflects this or if the Organisational Unit considers it so.

The corrective and preventive actions proposed in the Incident Investigation Report to repair the causes that originated them, once transferred to the Non-Conformity Report, must be reviewed through the general procedure ENDESA-SGSST-PG.02 "Identification of Hazards, Evaluation and Control of Risks".

In addition to the actions discussed above, the following should be included:

- Assess the risks related to the new hazards detected, before taking action.

- Review existing risk assessments to see whether they need to be updated and, if necessary, update them.
- If necessary, make changes to the management system.

#### 4.7.3.1.1. Occupational Health and Safety Management

##### 403-3/403-8

Endesa offers all its employees, regardless of their level of risk, healthcare through its basic health units. In addition, it acts as a self-insurance company in occupational accidents, collaborating directly with the public health system in the treatment of these contingencies.

#### 4.7.3.1.2. Workplace Risk Prevention, Training and Inspections

##### 403-1/403-2/403-5

For the purpose of ensuring that all Endesa's workers receive the appropriate theoretical and practical training, both when they are contracted, irrespective of the type or duration of their employment, and when there are changes in their duties or working conditions or when new technologies are introduced that present new risks or significant changes in existing risks in Endesa:

- Training needs in workplace risk prevention are identified.
- The content of the training in workplace risk prevention is determined, as well as the recipients who will receive this training.
- Actions should be planned as well as their frequency/recycling.
- Both the quality and the completion of the training are controlled.

In 2023, Endesa organised a total of 124,162 hours of training in occupational health and safety for its in-house staff. A total of 8,430 people have attended preventive training courses.

In the area of safety inspections, in order to ensure that operations are carried out safely, Endesa has implemented a safety inspection plan that covers all levels of the company. These inspections are carried out partly by Endesa's own staff and partly by collaborating companies that have been previously informed of Endesa's work procedures.

Management also undertakes "safety walks" in which a business director, accompanied by the Joint Prevention Service for the territory, visit an operational or industrial installation to verify in situ the safety conditions of the environment, checking the observed points and generating a report where deficiencies were found.

#### 4.7.3.1.3. Promoting a Culture of Occupational Health and Safety

##### 403-6

Medical services manage occupational health as an integrated whole, concerned not only with the physical environment, but also the psychosocial, emotional and healthy lifestyle of personnel, both in their professional and personal lives. To meet the objective of achieving comprehensive health, it is based on the basic axes of primary, secondary and tertiary prevention.

<b>Primary prevention</b>	Focused on preventing illness or accident before it occurs. This is achieved by avoiding exposure to risks that may cause damage to health and correcting unhealthy behaviours or lifestyles.
<b>Secondary prevention</b>	Focused on reducing the impact of illness or injury once it appears. It is carried out through early diagnosis and treatment, preventing relapses and implementing programs for the return to work.



<b>Tertiary prevention</b>	Mainly aimed at reducing the impact of diseases in their later stages to try to improve quality of life.
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The main voluntary programmes and action plans for the promotion of good health that Endesa offers to workers include action plans on alcohol, tobacco, stress, physical and emotional well-being, musculoskeletal disorders, etc.

The company has also contracted health insurance policies whose conditions guarantee the coverage of general health care throughout Spain, for those employees who, in a personal capacity, retain this right in their original agreement; and the possibility for employees who do not have this right in their original agreement to contract them under special conditions.

#### 4.7.3.1.4. Occupational Health and Safety Committees

##### 403-4

The participation of the company and its workers, through their union representatives, in the planning, programming, organisation and management control related to the improvement of working conditions and the protection of health and safety of workers, is a basic principle of prevention policy in the company and is considered an important lever for improvement.

The consultation and participation of workers in matters of occupational health and safety within the scope of Endesa is carried out through the prevention delegates, who are part of the following governing bodies: the Committee for Participation in the Planning and Control of the Management of Preventive Activity; and the Generation Occupational Health and Safety Committees; Corporate Generation, Thermal Power/Combined Cycle Plants, Renewables/North-South/Central-Northwest, Distribution Committees, Division Committees/Control Centres and Corporate Distribution Units, Endesa Engineering, Commercial, Endesa Energía/EOSC/ENDESA X Servicios committees, Endesa S.A., Endesa Media and Systems and the Cross-Cutting Occupational Health and Safety Committees: North/South/Central Northwest.

The occupational health and safety committees are joint collegiate bodies for participation in occupational health and safety in each organisational area and consist of members from Management Representation and Social Representation, with advice from the Joint Prevention Service. These bodies were regulated in the internal operating regulations dated 2 February 2021.

These regulations establish the periodicity of each committee:

<b>Generation Committees</b>	Generation OHS committees: quarterly
	OHS, thermal/combined cycle plants 7 per year
	Corporate Generation OHS: 4 per year
	CSSL Renewables North, South, Central-Northwest: 7 per year
<b>Distribution Committees</b>	CSSL Distribution: quarterly
	OHS divisions, control centres, Endesa Ingeniería and corporate Distribution units: 7 per year
<b>Re Committees</b>	OHS Commercial committee: semiannual
	OHS committee of Endesa Energía, EOSC, Endesa X Servicios: quarterly
	OHS committee of Endesa S.A. and Endesa Medios y Sistemas: quarterly
	OHS cross-cutting committees, Central Northwest, North and South: quarterly

The matters dealt with by these bodies basically respond to the monitoring of preventive planning, analysis of safety inspections, accident rates and absenteeism, risk assessment, workplace risk prevention audits, information on the agreements adopted by the Participation Committee, coordination of business activities or follow-up on risk communication reports.

#### 4.7.3.1.5. Decrease in the Accident Rate

During 2023, the number of computable accidents has increased by 15.79% compared to 2022.

#### 403-9/403-10

##### SUMMARY OF WORK ACCIDENTS

Personnel	No. Accidents at work <sup>1</sup>			Frequency index <sup>2</sup>			Severity index <sup>3</sup>		
	2022	2023	Diff	2022	2023	Diff	2022	2023	Diff
Endesa employees	1	4	300.00%	0.06	0.26	333.33%	0.01	0.02	100.00%
Contractors	18	18	0.00%	0.43	0.38	-11.63%	0.09	0.10	11.11%
<b>Total</b>	<b>19</b>	<b>22</b>	<b>15.79%</b>	<b>0.33</b>	<b>0.35</b>	<b>6.06%</b>	<b>0.06</b>	<b>0.08</b>	<b>33.33%</b>

<sup>1</sup>Includes fatal accidents. Because of the nature of the data, 100% of ANAV accidents are taken for this indicator.

<sup>2</sup> Total number of accidents, excluding commuting accidents, out of total hours worked, multiplied by 1000000.

<sup>3</sup>Total number of days lost to accidents, excluding journeys to and from work, compared to the total number of hours worked multiplied by 1,000.

##### NUMBER OF ACCIDENTS AT WORK<sup>1</sup>

Personnel	2021			2022			2023		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Endesa employees	1.85	0	1.85	1	0	1	4	0	4
Contractors	24	3.56	28	18	0	18	17	1	18
<b>Total</b>	<b>25.85</b>	<b>3.56</b>	<b>29.85</b>	<b>19</b>	<b>0</b>	<b>19</b>	<b>21</b>	<b>1</b>	<b>22</b>

<sup>1</sup>Includes fatal and severe accidents. Because of the nature of the data, 100% of ANAV accidents are taken for this indicator.

##### FREQUENCY INDEX<sup>1</sup>

	2021			2022			2023		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Endesa employees	0.16	0	0.12	0.09	0	0.06	0.35	0.00	0.26
Contractors	0.88	0.41	0.76	0.59	0.00	0.43	0.48	0.08	0.38
<b>Total</b>	<b>0.66</b>	<b>0.28</b>	<b>0.57</b>	<b>0.46</b>	<b>0.00</b>	<b>0.33</b>	<b>0.45</b>	<b>0.06</b>	<b>0.35</b>

<sup>1</sup>Total number of accidents excluding journeys to and from work vs. total number of hours worked multiplied by 1,000,000.

##### SEVERITY INDEX<sup>1</sup>

Staff	2021			2022			2023		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Endesa employees	0.02	0.00	0.02	0.01	0.00	0.01	0.03	0.00	0.02
Contractors	0.09	0.00	0.07	0.12	0.00	0.09	0.12	0.02	0.10
<b>Total</b>	<b>0.07</b>	<b>0.00</b>	<b>0.05</b>	<b>0.09</b>	<b>0.00</b>	<b>0.06</b>	<b>0.10</b>	<b>0.02</b>	<b>0.08</b>

<sup>1</sup>Total number of days lost to accidents, excluding journeys to and from work, compared to the total number of hours worked multiplied by 1,000.

##### FATAL, SERIOUS AND NON-SERIOUS ACCIDENTS<sup>1</sup>

Personnel	Fatal Accidents			Serious Accidents			No. minor accidents <sup>2</sup>		
	2022	2023	Diff	2022	2023	Diff	2022	2023	Diff
Endesa employees	0	0	0%	0	0	0%	1	4	300%
Contractors	0	1	100%	0	2	100%	18	15	-16.67%
<b>Total</b>	<b>0</b>	<b>1</b>	<b>100%</b>	<b>0</b>	<b>2</b>	<b>100%</b>	<b>19</b>	<b>19</b>	<b>0%</b>

<sup>1</sup>Includes accidents with sick leave of 3 to 30 days. Because of the nature of the data, 100% of ANAV accidents are taken for this indicator.

##### NUMBER OF FATAL ACCIDENTS<sup>1</sup>

Personnel	2021			2022			2023		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Endesa employees	0	0	0	0	0	0	0	0	0
Contractors	1	0	1	0	0	0	1	0	1
<b>Total</b>	<b>1</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>1</b>

<sup>1</sup>Because of the nature of the data, 100% of ANAV accidents are taken for this indicator.

#### NUMBER OF SEVERE ACCIDENTS<sup>1</sup>

	2021			2022			2023		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Endesa employees	0	0	0	0	0	0	0	0	0
Contractors	2	0	2	0	0	0	1	1	2
<b>Total</b>	<b>2</b>	<b>0</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>1</b>	<b>2</b>

<sup>1</sup>Because of the nature of the data, 100% of ANAV accidents are taken for this indicator.

#### NUMBER OF NON-SERIOUS ACCIDENTS<sup>1</sup>

Personnel	2021			2022			2023		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Endesa employees	2	0	2	1	0	1	4	0	4
Contractors	21	4	25	18	0	18	15	0	15
<b>Total</b>	<b>23</b>	<b>4</b>	<b>27</b>	<b>19</b>	<b>0</b>	<b>19</b>	<b>19</b>	<b>0</b>	<b>19</b>

<sup>1</sup>Because of the nature of the data, 100% of ANAV accidents are taken for this indicator.

#### ABSENTEEISM<sup>1</sup>

Typology	2021	2022	2023
Rate of absenteeism <sup>2 3</sup>	2.55	2.97	2.98
Working days lost by ENDESA employees due to absence during the year <sup>2</sup>		52,712	60,571
Number of hours of absenteeism <sup>2</sup>		2,245,088	2,428,869

<sup>1</sup>The Absenteeism Rate does not include jointly-controlled companies that consolidate proportionally.

<sup>2</sup>Days and hours lost due to absence do not include vacations, public holidays, authorized absences for family reasons (maternity, paternity leave, etc.), or absences for training.

<sup>3</sup>Total number of working days lost due to absenteeism during the year compared to the total number of days worked during the same period, multiplied by 200,000 (this corresponds to 50 working weeks of 40 hours for every 100 employees).

#### DEATH RATE<sup>1</sup>

	2021	2022	2023
Employees	0.00	0.00	0.00
Contractors	0.02	0.00	0.02

<sup>1</sup>Total number of fatal accidents excluding journeys to and from work compared to total number of hours worked multiplied by 1,000,000.

#### RATE OF SERIOUS ACCIDENTS, EXCLUDING FATAL ACCIDENTS

	2021	2022	2023
Employees	0.00	0.00	0.00
Contractors	0.06	0.00	0.04

During 2023 no occupational disease declared in Endesa was detected.

In addition, in 2023 Endesa has continued to improve its information collection systems by making it possible to calculate the following indicators, with the aim of providing greater transparency in the reporting of Health and Safety information:

#### HIGH-PROBABILITY ACCIDENT FREQUENCY INDEX<sup>1</sup>

	2021	2022	2023
Endesa employees	0.07	0	0.00
Contractors	0.26	0.12	0.09
<b>Total</b>	<b>0.20</b>	<b>0.09</b>	<b>0.06</b>

<sup>1</sup>Occupational accidents and injuries requiring First Aid whose dynamics could have led to a fatal accident or a life-changing accident compared to the total hours worked, multiplied by 1,000,000.

#### FREQUENCY INDEX FOR RECORDABLE INJURIES <sup>1</sup>

	2021	2022	2023
Endesa employees	1.72	1.68	1.48
Contractors	3.11	2.56	1.16
<b>Total</b>	<b>2.69</b>	<b>2.33</b>	<b>1.23</b>

<sup>1</sup>Occupational accidents with sick leave of 0 to 3 days including first aid compared to the total hours worked, multiplied by 1,000,000.

#### FREQUENCY RATE FOR LIFE-CHANGING ACCIDENTS<sup>1</sup>

	2021	2022	2023
Endesa employees	0	0	0
Contractors	0.03	0	0
<b>Total</b>	<b>0.02</b>	<b>0</b>	<b>0</b>

<sup>1</sup> Occupational accidents whose consequences changed a person's life compared to the total hours worked, multiplied by 1,000,000.

### 4.7.3.2. Occupational Health and Safety in Collaborating Companies

Endesa, with the aim of extending occupational health and safety among its partner companies, is actively involved in:

- Safety certification for risk-related activities.
- The promotion of current certifications for these activities.
- Management and information on occupational health and safety in the General Contract Terms and Conditions.

Endesa specifically verifies its contractor companies' effectiveness with regard to workplace risk prevention through a "Contractor Assessment" programme, in this is assessed by a company specialising in Consulting and Auditing in Workplace Risk Prevention.

Based on the score obtained, the company is qualified to be an Endesa contractor or, on the contrary, an action plan is required to eliminate the identified gaps. An action plan should be established for the corrective measures until the problem has been solved.

Contractors are examined before the contracting process starts and during the contractual activity, with the possible application of an administrative and/or economic sanction in the event of non-compliance with safety regulations or having suffered a significant incident.

The General Terms and Conditions for the Contract require the contracting company to provide specific training for workers in matters of health and safety, depending on the risks posed by the contracted activity.

The regulations in force establish a framework for action that the contractor should comply with prior to undertaking the works, including the obligation to draw up a Specific Prevention Plan for the contracted works.

There should also be follow-up and control actions during the works (*in vigilando*). Each accident should be analysed by a committee consisting of experts from the Prevention Service, the unit in which it occurred, and procurements, establishing corrective measures to prevent another similar situation from occurring.

#### 4.7.3.2.1. Risk Activity Control Program

##### 403-8

As detailed above, Endesa's OHSMS consists of a series of responsibilities, processes and resources available to manage the production process and meet the objectives of the Policy on Occupational Health and Safety and Working Conditions.

100% of Endesa's workforce in Spain and Portugal works in work centres under an ISO 45001 certification environment.

Endesa has established and kept up to date a documented system for undertaking occupational health and safety audits on its contractors to determine conformity with and correct implementation of the Occupational Health and Safety System. Internal audits are carried out in a planned manner taking into account the importance of the processes involved and the results of previous audits.

Endesa continues to develop different annual initiatives as part of its long-term strategy of continuous improvement of the level of occupational health and safety. The activities carried out within the framework of this strategy have focused mainly on specific action plans against accidents, the maintenance and creation of new alliances with collaborating companies, and various action plans with contractors with high accident rates.

#### 4.7.3.2.2. Contractor Training

##### EU18




All (100%) of those working for Endesa's contractors and subcontractors receive training from their corresponding companies in occupational health and safety in accordance with their activities. This is a legal requirement that is set out in Endesa's internal regulations.

Endesa verifies through the certifications of the collaborating companies that workers who undertake tasks for them have the necessary training, acquired through their own companies, to be able to perform the above-mentioned tasks, under the required conditions of Occupational Health and Safety, based on suitable education, training and experience. Required factor in the Coordination of Business Activities (CAE in Spanish) before the start of work and periodically reviewed.

#### OCCUPATIONAL HEALTH AND SAFETY TRAINING AND QUALIFICATION FOR CONTRACTORS AND SUBCONTRACTORS

	2021	2022	2023
Contractors and subcontractors who have been trained in occupational health and safety	17,423	17,649	16,214
Qualified Suppliers	2,277	1,332	1,327

#### 4.7.4. Fiscal Transparency

Material Topics	Plan	SDGs
		  

The scope of the information provided in this chapter covers both Endesa, S.A. and its investee companies in Spain and Portugal. The scope is the same as in the Legal Documentation reports. For more information, see sections 2.1.2.6. *Organisational Structure* and 2. *Report Coverage (ANNEX I: Methodology for Preparing the report)*. Variations, if any, to the scope described here are presented throughout the chapter.

##### 4.7.4.1. Fiscal Policy

###### 207-1/207-2

Endesa complies with tax regulations as part of the principles that inspire the company's corporate responsibility and applies responsible tax policies by promoting transparent and cooperative relations with the Tax Administrations, establishing a Tax Risk Control and Management System and carrying out Sound Governance practices. In these four areas, Endesa carries out the following actions:

<b>Tax Transparency</b>	Leading position in the transparency ranking prepared by Haz Foundation.
	†*** transparency seal awarded to the company for its compliance with 100% of the indicators of best practices in the responsible taxation area.
	Publication of the transparency report that brings together all the relevant information with tax content.
	Publication of details of the main tax-related disputes.
	Publication of tax contribution details by jurisdiction in which the company operates.
<b>Cooperative relations</b>	Publication of the company's contributions to non-profit entities and public grants received.
	Adherence of the Endesa Group to the Code of Good Tax Practices.
	Voluntary presentation of the enhanced transparency report.
	Letter received from the Tax Agency congratulating the company for its collaboration and exercise of transparency.
<b>Tax risk control and management system</b>	Participation in the Large Companies Forum.
	Tax control framework adapted to the best standards and with a high level of maturity.
	Information channel available to all stakeholders.
	Training of employees on the Tax Compliance System
<b>Sound governance</b>	Aenor UNE 19602 standard certification.
	No operations or presence in tax havens as at 31/12/2022.
	Compliance with international tax standard GRI-207.
	Non-provision of tax services by the auditor.

Endesa has a Tax Strategy, which was approved by the Board of Directors on 15 June 2015 and updated on 19 June 2017<sup>57</sup>, as well as a Tax Risk Control and Management Policy approved by the Board of Directors on 15 June 2015 and updated on 21 June 2020<sup>58</sup>.

Endesa's Tax Strategy establishes as a guideline compliance with current tax regulations and the adoption of a reasonable interpretation of them at all times. Likewise, a series of behaviours that may not be aligned with that guideline are expressly renounced, such as carrying out operations that pursue a tax advantage, structures of an artificial or opaque nature, etc.

#### FOR THE FIFTH CONSECUTIVE YEAR ENDESA HAS CONFIRMED ITS LEADERSHIP IN THE IBEX 35 WITH REGARD TO FISCAL RESPONSIBILITY AND TRANSPARENCY

Endesa has once again been classified as a "transparent" company according to a "Transparency Report on fiscal responsibility in IBEX 35 companies" by the Haz Foundation. Endesa has once again satisfied 100% of the areas subject to analysis, fully complying with the 12 indicators examined, obtaining the "t\*\*\*" transparency certificate granted by the Haz Foundation once again.

Endesa's strengths include the best practice of making public its tax risk management and control policy with details of models for supervision, roles and responsibilities.

These recognitions demonstrate the strength of Endesa's commitment to fiscal transparency and responsibility for the economic and social contribution it makes in the jurisdictions in which it operates.

Endesa and its subsidiaries are signatories of the Spanish Code of Good Tax Practices (CBPT in Spanish), as well as the Codes of Good Tax Practices in force in France and Portugal.

Every year, Endesa prepares and submits a Reinforced Transparency Report to the State Tax Administration Agency in which it breaks down the information that Endesa voluntarily submits to the Administration in accordance with the provisions of the Annex to the Code of Good Tax Practices. On 21 July 2023, it submitted the Report for 2022.

In compliance with corporate governance rules on tax matters and the provisions of the Code of Good Tax Practices, Endesa's Head of Tax Affairs regularly informs the Audit and Compliance Committee of the company's tax situation.

#### 4.7.4.2. Transactions Between Group Companies

Related-party transactions carried out by Endesa Group companies comply with the arm's length principle set out in the OECD Guidelines, the European Union Joint Transfer Pricing Forum and the regulations of the Corporation Tax Act.

In accordance with the applicable regulations and recommendations, the pricing methodology that must be used to check whether a transaction complies with the arm's length principle is the one that, based on the facts and circumstances of the transaction, is capable of justifying that the transaction has been carried out in accordance with what would have been agreed by independent parties at arm's length.

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<sup>57</sup> <https://www.endesa.com/content/dam/endesa-com/endesa-en/home/investors/corporategovernance/corporatepolicies/documents/endesa-tax-strategy-2017.pdf>

<sup>58</sup> [https://www.endesa.com/content/dam/enel-es/endesa-en/home/investors/corporategovernance/corporatepolicies/documents/Política%20gestión%20y%20control%20de%20riesgos%2021\\_12\\_2020\\_EN.pdf](https://www.endesa.com/content/dam/enel-es/endesa-en/home/investors/corporategovernance/corporatepolicies/documents/Política%20gestión%20y%20control%20de%20riesgos%2021_12_2020_EN.pdf)

When deemed advisable in view of the circumstances, the Endesa Group promotes the signing of Advance Pricing Agreements (APA) with the tax authorities to define the methodology to be applied.

#### 4.7.4.3. Relationship with Stakeholders

##### 207-3

Endesa is firmly committed to endeavouring to explain in a transparent way tax matters that may be of interest to third parties. One of the company's values is tax transparency vis-à-vis third parties (shareholders, customers, suppliers, employees, regulators, Tax Administrations, etc.) on the principles of action in tax matters, on the bodies involved in Endesa's tax governance and on the details of its tax payments in the countries where it operates.

In this sense, Endesa provides through its website<sup>59</sup>, in a single space, information with tax relevance for third parties, and aiming to ensure that it is permanently updated, so that it is an information space that is easily accessible and understandable within the reach of anyone.

In addition, starting in 2020 Endesa now publishes an annual report on Tax Transparency which brings together all the information with tax content available on its website.

Likewise, Endesa actively participates in different forums on taxes, sustainability and corporate social responsibility, keeping up to date with news and practical improvements in the matter, the opinions and issues discussed in these forums serving for the continuous review of the information that is provided to the outside. It forms part of the tax committees of the Association of Electric Power Companies (AELEC) and the Spanish Confederation of Business Organisations (CEOE); in the latter case Endesa participates on behalf of AELEC. Endesa is a member, through the head of its Tax Affairs Unit, of the Spanish Association of Tax Advisors (AEDAF). In 2019, ENEL (Endesa's Parent Company) joined the European Business Tax Forum (EBTF - <https://ebtforum.org>), an association that aims to open a public debate on taxation by providing a balanced and comprehensive perspective on the tax that companies pay.

Endesa is part of the Large Companies Forum (a cooperative relationship body to promote greater collaboration between large companies and the State Tax Administration) and actively participates in it through two working.

In 2023, Endesa participated for the fourth year in a row in the Report prepared by PwC on the Total Tax Contribution of IBEX-35 companies in 2022, which aims to study and promote the Total Tax Contribution of this group.

#### 4.7.4.4. Tax Contribution

##### 207-4

In 2023, Endesa's total tax contribution amounted to Euros 3,749 million<sup>60</sup>, of which Euros 2,163 million refer to amounts paid by the group and Euros 1,586 million to amounts collected as a result of Endesa's business activity.

##### DISTRIBUTION OF TAXES PAID BY GEOGRAPHY

	Spain		Portugal		France		Germany		Netherlands	
	Amounts paid	Amounts collected	Amounts paid	Amounts collected	Amounts paid	Amounts collected	Amounts paid	Amounts collected	Amounts paid	Amounts collected
<b>I. TAXES PAID IN THE CONSOLIDATED TAX GROUP</b>										
TAXES ON PROFITS	776									
Corporation tax	776									

<sup>59</sup> <https://www.endesa.com/en/our-commitment/transparency>

<sup>59</sup> <https://www.endesa.com/en/our-commitment/transparency> <https://www.endesa.com/en/our-commitment/transparency>

<sup>60</sup> See section 7: Alternative Performance Measures (APMs) of the Consolidated Management Report 2023.



**DISTRIBUTION OF TAXES PAID BY GEOGRAPHY**

	Spain		Portugal		France		Germany		Netherlands	
	Amounts paid	Amounts collected	Amounts paid	Amounts collected	Amounts paid	Amounts collected	Amounts paid	Amounts collected	Amounts paid	Amounts collected
SUBTOTAL TAXES PAID TAX GROUP	776									
<b>II. TAXES PAID TO THE TREASURY</b>										
<b>TAXES ON PROFITS</b>	77	81	24		8					
Corporation tax	46		24		8					
Tax on Economic Activities	28									
Other withholdings and others	3	81								
<b>PROPERTY TAXES</b>	97									
Property Tax (municipal)	64									
Other	33									
<b>EMPLOYMENT-RELATED TAXES</b>	140	246	1	1	2	1				
Payments made to Social Security	140	21	1		2	1				
Withholding on earned income		225		1						
<b>TAXES ON GOODS AND SERVICES</b>	471	581		258		141		74		1
VAT paid	1	581		256		141		74		1
Public Domain Utilisation Fee	246			2						
Energy levy	208									
Miscellaneous public domain charges and others	16									
<b>ENVIRONMENTAL TAXES</b>	567	98		12		49		42		1
Tax on the value of electricity production	18									
Nuclear Fuel Tax	122									
Hydroelectric fee										
Nuclear Service Fees	208									
Environmental (regional) and other taxes	217									
Electricity Tax		63		5				40		
Tax on Hydrocarbons		34		7		49		2		1
Coal Tax	2	1								
<b>SUBTOTAL TAXES PAID</b>	1352	1006	25	271	10	191	0	116	0	2

<sup>1</sup>Given that the requirements set forth in Chapter VI of Title VII of Law 27/2104 of 27 November on Corporation Tax are met, since 2010 Endesa and certain subsidiaries resident in Spain have been part of the Tax Consolidation Group whose parent company is Enel S.p.a., the company representing the Tax Group in Spain being Enel Iberia. It is this company that, as the representative entity of the Tax Group, maintains the ultimate relationship with the Public Treasury with respect to this Tax.

**AMOUNTS IN 2023 (MILLIONS OF EUROS)**

Concept	Amounts Paid	Amounts collected	Total
<b>TOTAL TAX CONTRIBUTION</b>	2163	1586	<b>3749<sup>1</sup></b>
<b>OTHER REGULATORY PAYMENTS 2023<sup>2</sup></b>			
Social Bonus (Spain)			237
Social Bonus (Portugal)			0
Energy efficiency (Spain)			49
Other (Spain)			119
Other (France)			7
Other (Portugal)			19
<b>SUBTOTAL OTHER REGULATORY PAYMENTS</b>			<b>431</b>

<sup>1</sup> See section 7: Alternative Performance Measures (APMs) of the Consolidated Management Report 2023.

<sup>2</sup> Likewise, 'Other Regulatory Payments' are reported separately; these are paid to the Authorities by Endesa as a statutory requirement, a consequence of the regulation of the sector in which it operates, although these are not strictly taxes and therefore cannot be included in the Total Tax Contribution.

The scope of companies can be consulted in Annex I, "Relevant companies and holdings of Endesa", of the consolidated financial statements. The Endesa Group mainly carries out electricity generation, distribution and sale activities in Spain and Portugal and, to a lesser extent, it markets electricity and gas in other European markets (Germany, France and the Netherlands). It also carries out electricity generation activity in Morocco through its participation in the company *Energie Electrique de Tahadart S.A.* In France, Germany and the Netherlands it operates through the branches of Endesa Energía S.A.U. located in those countries.

As a sign of its commitment to society in general and to equality and social cohesion in particular, Endesa allocates 0.7% of its corporation tax payable amount to the Third Sector, contributing to the financing of social projects.

**Main trends in the total tax contribution**

In Spain, input tax increased by 31%, mainly as a consequence of the following variables:

- There was an increase in income tax expense as a result of the following:
  - In 2023, higher payments on account were made than in 2022, mainly on account of the increase in profit recognised in 2023 and the entry into force of Additional Provision 19 of Law 27/2014, of 27 November, on Corporate Tax (LIS), which limits, for 2023, the amount of individual tax loss carryforwards included in the tax base for the Tax Consolidation Group, as well as the reduced application of deductions in 2023.
  - In July 2023, on the occasion of the filing of the final tax return for the previous year, there was an amount to be paid, while in July 2022 it was to be refunded. This can mainly be attributed to the fact that in 2022, there was an increase in profits, a drop in the tax amortisation of coal-fired power plants and a decrease in the application of deductions and allowances, as a result of the limit placed on the minimum tax base set out in Article 30 bis of the Corporate Tax Law for years beginning on or after 1 January 2022.
- Increase in taxes on products and services, mainly due to the introduction of the new temporary energy levy.
- To a lesser extent, there was an increase in social security payments, as a result of the increase in the maximum contribution base in 2023 and the new contribution corresponding to the intergenerational equity mechanism, as well as an increase in the Tax on the Value of Electricity Production, as a result of payments for inspections in 2016 and 2017. In contrast, there has been a decrease in the Tax for Occupying Public Highways linked to the decrease in revenues from electricity sales in 2023.

On the other hand, the Taxes Collected in Spain decreased by 40% in 2023, mainly due to the following aspects:

- Reduction of taxes on products and services, mainly due to the decrease in payments of value added tax (VAT), on account of the decrease in production in 2023 and the application of the reduced 5% VAT rate on natural gas during the year.
- Lower contribution by Tax on Electricity and Taxes on Hydrocarbons, mainly as a result of the decrease in electricity sales.
- There was an increase in employment-related taxes as a result of the increase in the maximum contribution base in 2023 and the new contribution corresponding to the intergenerational equity mechanism, as well as the increase in salaries agreed in the collective bargaining agreement.

When it comes to other countries (Portugal, France, Germany and the Netherlands), there was a 12% increase in the tax contribution, mainly due to the following factors:

- Increase in Corporation Tax payments in Portugal as a result of the increase in profit in 2022 compared to 2021 (final tax returns filed in 2022 and 2023, respectively), as well as the absence of tax loss carryforwards to be offset in the final tax return for 2022.
- Increase in VAT in France due to the increase in the customer portfolio in the electricity marketing segment.
- Higher payments in Germany in relation to the Electricity Tax on account of the increase in the customer base.

The details of Endesa's tax contribution can be consulted on the corporate website, where it is possible to download the 2023 Total Tax Contribution Report, prepared by PriceWaterhouseCoopers (PwC)<sup>61</sup>.

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<sup>61</sup> <https://www.endesa.com/en/our-commitment/transparency/tax-information-breakdown>.

## Accounting profit by geographical areas

### TOTAL AMOUNT IN MILLIONS OF EUROS OF ACCOUNTING PROFIT BREAKDOWN BY COUNTRY IN WHICH ENDESA OPERATES

	Spain	Portugal	France	Germany	Netherlan ds	Morocco	Total
Total revenue	22,768	1,000	1246	441	4	0	25,459
Accounting profit before tax <sup>1</sup>	963	42	39	18	0	3	1,065
Corporation tax paid <sup>2, 6</sup>	822	24	8	0	0	0	854
Accrued corporation tax <sup>3, 6</sup>	-333	-1	-10	-3	0	0	-347
Retained earnings <sup>6</sup>	4,971	118	45	-1	1	0	5,134
Cash and cash equivalents	22,538	297	4	0	0	0	22,839
Average headcount	8,940	90	58	8	1	0	9,097
Number of Employees <sup>4</sup>	8,880	94	53	7	1	0	9,035
Contributions to foundations and non-profit organisations	8.7	0	0	0	0	0	8.7
Public subsidies received <sup>5</sup>	3.8	0	0	0	0	0	3.8

<sup>1</sup> The criterion for determining the accounting profit is on a consolidated basis.

<sup>2</sup> The figure corresponding to Tax on Profits corresponds to Corporation Tax paid/received in the reporting period. In this case, it should be noted that Endesa and its wholly owned subsidiaries located in Spain are part of the fiscal consolidation group whose parent company is Enel S.p.a., the company representing the tax group in Spain being Enel Iberia, S.L.U. Therefore, the data recorded is the amount paid/charged by Endesa and its subsidiaries included in the Tax Group, to Enel Iberia, S.L.U., which, in accordance with the Tax regulations, declares and settles the Tax Group's tax before the Tax Administration. For the rest of the subsidiaries of the consolidated commercial group that are not part of the fiscal consolidation group, the amount paid / charged to the Tax Administration is taken into account.

Morocco consolidates in the group by the participation method, so that the accounting profit corresponds to the result after tax in the percentage in which Endesa participates.

(+) payment, (-) collection

<sup>3</sup> Accrued Tax on Profits corresponds to the Current Corporation Tax recognised in the period.

(+) Corporation Tax receipt, (-) Corporation Tax expense.

<sup>4</sup> The employee figure refers to the number of active employees at 31 December 2023. The employees in France, Germany, the Netherlands and part of Portugal correspond to the employees of Endesa Energia's branches in these countries, which are consolidated in Spain.

<sup>5</sup> The figure for public subsidies received corresponds to the total amount of public subsidies collected in 2023, all in Spain.

<sup>6</sup> See section 7: Alternative Performance Measures (APMs) of the Consolidated Management Report 2023.

#### 4.7.4.5. Use of Non-Cooperative Jurisdictions

At 31 December 2023, Endesa did not have holdings in companies located in any territory classified as a tax haven or in any territory classified by third parties as having more favourable taxation than Spain.

For more information on Fiscal Transparency and Endesa's Fiscal Policies, please visit the corporate website: <https://www.endesa.com/en/our-commitment/transparency> from where the Fiscal Transparency Report can be downloaded, which consolidates all information with relevant tax content for third parties.

## **ANNEXES**

**ANNEX I: Methodology for Preparing the Report.**

**ANNEX II: Index of GRI Content.**

**ANNEX III: Index of Content Required by Law 11/2018.**

**ANNEX IV: Index of Content Required by The SASB.**

**ANNEX V: Index of Content of the World Economic Forum (WEF).**

**ANNEX VI: Index of TCFD Content.**

**ANNEX VII: Index of Content of the SFDR Regulation.**

**ANNEX VIII: Breakdown of Activities Considered Environmentally Sustainable by the European Taxonomy.**

**ANNEX IX: Compliance with 2023 Sustainability Plan Objectives**

**ANNEX X: Description of the Impacts, Risks and Opportunities Identified.**

**ANNEX XI: Indicators Subject to Reasonable Verification.**

**ANNEX XII: Public Independent Review Report**

## ANNEX I: Methodology for Preparing the Report

### 1. Report Profile

#### 2-3/3-1/

The Non-Financial and Sustainability Statement 2023 is the twenty-third annual report published by the company since it began publishing Sustainability Reports in 2001. This report is Endesa's fourth joint Non-Financial and Sustainability Statement.

With this 2023 Report, Endesa aims to offer a transparent and global vision of the company's performance in terms of Sustainability, in accordance with its new Sustainability Policy and its 2023-2025 Sustainability Plan, which has been renewed with the 2024-2026 Plan, as well as complying with the Law. In this way, Endesa conveys to its stakeholders its commitment to the generation of long-term value and to the sustainable management of its business.

The Non-Financial and Sustainability Statement 2023, which forms part of Endesa's Consolidated Management Report at 31 December 2023, was drafted according to the requirements requested by the following international regulations and reporting standards:

- Global Reporting Initiative (GRI Standards), a global initiative for the presentation of sustainability reports and the sector-specific supplement "Electric Sector Supplement".
- Law 11/2018, of 28 December, amending the Code of Commerce, the consolidated text of the Spanish Corporate Enterprises Act approved by Royal Decree Law 1/2010, of 2 July, Law 22/2015, of 20 July, on Account Auditing, on non-financial information and diversity, and Law 5/2021, of April 12, which modifies article 49.6.II, fourth indent, of the Commercial Code.
- Article 8 of Regulation 852/2020, on the establishment of a framework to facilitate sustainable investments, and Commission Delegated Regulation (EU) 2021/2178, which establishes the methodology for reporting eligibility and alignment with the Taxonomy.
- Regulation 2019/2088 (SFDR) which aims to establish harmonised rules on transparency to be applied by market participants and financial advisers on sustainability. In this case, Endesa would not be under the scope of the Regulation but considers that it is relevant information for its stakeholders.
- Sustainability Accounting Standards Board (SASB), responding to the main indicators required in its sector standard "Electric Utilities & Power Generators".
- The recommendations established by the Task Force on Climate-Related Financial Disclosures (TCFD) in relation to the reporting of identified risks and opportunities in the field of Climate Change.
- The performance indicators defined by the World Economic Forum (WEF) in its report "Measuring Stakeholder Capitalism: Towards Common Metrics and Consistent Reporting of Sustainable Value Creation".

In 2023, with the aim of continuing to align itself with the main reporting standards, Endesa carried out an in-depth analysis of the European Sustainability Reporting Standards (ESRS), developed by EFRAG and derived from the update of the Corporate Sustainability Reporting Directive (CSRD). In this way, Endesa has established a roadmap to comply with these future standards, which will continue to be worked on in the coming years.

The scope of this Non-Financial and Sustainability Statement includes the consolidated information relating to Endesa's 2023 fiscal year, in accordance with the Principles for the

presentation of the consolidated financial statements<sup>62</sup>, corresponding to the year ended 31 December 2023.

The Non-Financial and Sustainability Statement 2023 is published together with the company's other annual reports, such as the legal documentation and the Corporate Governance Report, as well as with the contents of the Sustainability section of the Endesa website ([www.endesa.com](http://www.endesa.com)). Information is also provided on the social commitment activities of the Endesa Foundation in its annual report.

Through its corporate website: [www.endesa.com](http://www.endesa.com), offering quarterly information to shareholders and the financial markets. This information is also available via the Endesa Shareholder Office.

## 2-5

The Board of Directors, the highest governing body of the company, and senior management participate in the request for external verification, which is entrusted to KPMG, an entity of proven competence unconnected with the company, which applies professional criteria and follows systematic processes based on empirical verification. The public independent review report is included in Annex XII.

## 2. Report Coverage

### 3-1

Endesa keeps a corporate record permanently updated with information on all its holdings, whether direct or indirect, as well as details of any companies over which it may be able to exercise control.

The scope of the information provided in this report covers both Endesa, S.A. and its investee companies in Spain and Portugal. It is the same as for the Legal Documentation reports. For further information, see section 2.1.2.6. *Organisational Structure*

Endesa Movilidad Eléctrica, S.L.U. was incorporated on 9 February 2022 (currently known as Endesa X Way, S.L.), in which Endesa X Servicios, S.L.U. has a 100% ownership interest. On 29 April 2022, Endesa X Servicios, S.L.U. sold 51% of its holding in Endesa Movilidad Eléctrica, S.L.U., currently known as Endesa X Way, S.L., to Enel X Way, S.r.l. (company in the Enel Group, the parent of the electric mobility business. This sale transaction has resulted in Endesa losing control over Endesa X Way, S.L., Consequently, this report does not include the information relating to Endesa X Way, S.L. since its non-financial information is not material.

## Environment

As a general criterion, the environmental data account for 100% of the facilities where Endesa has a majority stake and, therefore, operational responsibility (control). Data is also included relating to facilities over which Endesa does not have control in proportion to its shareholding, as is the case of nuclear facilities.

## Our Zero Emissions Ambition

Only the perimeter of Spain is included in the identification and quantification of risks deriving from climate change. Not included is Endesa's activity in Portugal, as it is not material in terms of generation business comparison.

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<sup>62</sup> Described in Section 2 of the notes to the consolidated financial statements

## Employees and Society

The data on employees include the companies managed by Endesa and its investees in Spain and Portugal. Employees of investee companies in France, the Netherlands and Germany are also included. The following percentages of the company's participation has been consolidated for the quantitative information reported by the companies SALIME and ANAV: 50% for SALIME and 85.41% for ANAV.

In the area of occupational health and safety, data are included for the employees of companies majority-owned by Endesa, where it is therefore responsible for operations (control). This means that the data do not include the Endesa Foundation. In addition, they take into account the participation percentage of 85.41% for ANAV, except for the number of accidents for which a percentage of 100% is taken into account.

The information on social programmes corresponds to activities undertaken by Endesa and its subsidiaries in Spain and Portugal, either directly or through the Foundation.

## Nuclear Power Plants

The scope of the information reported in relation to nuclear power plants considers Endesa's percentage holding in the facilities belonging to each of the companies, reporting their environmental impacts in these percentage terms.

## Material Topics

The material aspects identified are all relevant for all the entities that make up Endesa, both within and outside the organisation. All of these aspects are described in this report. To learn more about the material topics, see section 2.3. *WHAT IS IMPORTANT TO US* and the chapter 3. *Double Materiality*.

Throughout the Non-Financial and Sustainability Statement, cases are indicated where there are restrictions on the scope of the information included compared with these criteria.

## 3. Other information

For further information on sustainability, refer to the following channels:

### Websites

<https://www.endesa.com>

<https://www.endesatarifasluzygas.com/>

<https://www.edistribucion.com/en/index.html>

<https://www.energiaxxi.com/homexxi-en>

<https://www.endesax.com/es>

### Customer Service Phone Numbers

Free market customers: 800 76 09 09 / From abroad +34 937 061 510

Energy XXI: 800 76 03 33

Companies: 800 76 02 66

Endesa One: +34 919 101 143

Endesa Distribución: 900 87 81 19 / From abroad +34 937 061 513



### **Email Address**

email: [atencionalcliente@endesaonline.com](mailto:atencionalcliente@endesaonline.com)

### **Shareholders & Investors**

Investor Relations Department:

C/ Ribera del Loira, 60. 28042 Madrid.

Tel. + 34 91 213 1503

email: [ir@endesa.es](mailto:ir@endesa.es)

Shareholders' Office:

C/ Ribera del Loira, 60. 28042 Madrid.

Tel. 900 666 900.

email: [accionistas@endesa.es](mailto:accionistas@endesa.es)

### **Suppliers**

<https://globalprocurement.enel.com>

C/ Ribera del Loira, 60. 28042 Madrid.

Tel: +34 914 558 838

email: [procurement.enel@enel.com](mailto:procurement.enel@enel.com)

### **Employees and their representatives**

100% of employees have access to the corporate intranet.

Employees also have a multichannel platform (website, telephone and chat) known as "Online" (En Línea) through which they can make enquiries, resolve doubts and carry out tasks related to staff administration. This initiative, which takes advantage of new technologies, is part of the company's digital transformation plan, seeking to reduce response times and increase employee satisfaction levels.

Endesa's own trade union website:

<http://ugtendesa.es/>

<https://ccooendesa.com/>

<http://www.asie-sindical.com/>

### **Customer service**

Endesa Sustainability Mailbox: [sostenibilidad@endesa.es](mailto:sostenibilidad@endesa.es)

Information Channel: <https://secure.ethicspoint.eu/domain/media/es/gui/102504/index.html>

### **2-3**

The contact person for all stakeholders on sustainability-related issues and those related to the content of the Non-Financial and Sustainability Statement 2023 is:

María Malaxechevarría Grande

**Endesa General Manager – Sustainability**

C/ Ribera del Loira, 60

28042 Madrid, Spain

email: [sostenibilidad@endesa.es](mailto:sostenibilidad@endesa.es)

**2-1**

**Endesa Head Office**

Ribera del Loira 60

28042 Madrid, Spain

## ANNEX II: Index of GRI Content

GRI Standard	Content
Declaration of use	Endesa has prepared the Non-Financial and Sustainability Statement in accordance with Sustainability Reporting Standards 101 (Fundamentals) and with the Electric Utilities Sector Supplement of the Global Reporting Initiative for the period from 1 January 2023 to 31 December 2023.
GRI 1 used	GRI 1: Fundamentals 2021

GRI Standard	Content	Reference
2-1	Organizational details	2.1.2.4. Core Business Activities 2.1.2.5. Main Markets 2.1.2.6. Organisational Structure ANNEX I: Methodology for Preparing the Report
2-2	Entities included in the organization's sustainability reporting	2.1.2.6. Organisational Structure
2-3	Reporting period and frequency. Contact for issues related to the report.	ANNEX I: Methodology for Preparing the Report
2-4	Restatements of information	Restatements of information are referenced in each chapter
2-5	External assurance	ANNEX I: Methodology for Preparing The Report ANNEX XII: Public Independent Review Report
2-6	Activities, value chain and other business relationships	2.1.1. Financial, Operational and Sustainable Achievements 2.1.2.4. Core Business Activities 2.1.2.5. Main Markets 2.1.2.6. Organisational Structure 4.6.3.1.1. The Supply Chain in Numbers 4.6.3.1.2. Commitment To Local Suppliers 4.6.3.2. Comprehensive Procurement Process  Endesa does not sell or market prohibited products or services. Two services are provided in distribution activities: supply of energy and connection to the grid. Both of these services are regulated, so they are always provided in accordance with the existing regulatory framework. Endesa Energia sells electricity and gas in compliance with applicable legislation. Endesa X does not market any products or services prohibited by Spanish law and always acts in accordance with the law.
2-7	Employees	4.6.1.1. Workforce
2-8	Workers who are not employees	4.6.3.1.1. The Supply Chain in Numbers
2-9	Governance structure and composition	2.2. Sustainability Governance 4.7.2.1.1. Leadership of the Board of Directors 4.7.2.1.3. Sustainability Governance and Management System
2-10	Nomination and selection for the highest governing body	4.7.2.1.1. Leadership of the Board of Directors
2-11	Chairman of the highest governing body	4.7.2.1.1. Leadership of the Board of Directors
2-12	Role of the highest governing body in overseeing the management of impacts	2.2. Sustainability Governance 3.3.1 Assessment of The Priority and Fulfilment of Stakeholder Issues 4.7.2.1.3. Sustainability Governance and Management System 4.7.1.1. The Due Diligence Process
2-13	Delegation of responsibility for managing impacts	2.2. Sustainability Governance 4.7.2.1.3. Sustainability Governance and Management System
2-14	Role of the highest governing body in the sustainability reporting	2.2. Sustainability Governance 4.7.2.1.3. Sustainability Governance and Management System 3.2.1 Methodology 3.2.2 Review of Topics and Stakeholders

<b>GRI Standard</b>	<b>Content</b>	<b>Reference</b>
2-15	Conflicts of interest	4.7.2.1.2. Directors' Responsibilities, Duties and Remuneration
2-16	Communication of critical concerns	3.2.3. Identification Of Impacts, Risks and Opportunities
2-17	Collective knowledge of the highest governance body	2.2. Sustainability Governance
2-18	Evaluation of the performance of the highest governance body	4.1.2. Corporate Governance Focussed on Climate Change Management
2-19	Remuneration policies	4.1.2. Corporate Governance Focussed On Climate Change Management 4.6.1.2.3.4. Remuneration Policy 4.7.2.1.2. Directors' Responsibilities, Duties and Remuneration
2-20	Process to determine remuneration	4.6.1.2.3.4. Remuneration Policy
2-21	Annual total compensation ratio	4.7.2.1.2. Directors' Responsibilities, Duties and Remuneration
2-22	Statement on sustainable development strategy	1. Letter to Our Stakeholders
2-23	Policy commitments	2.4.3.1. Human Rights Policy 4.5.1.1. Environmental Policy 4.7.2.2.3. Endesa's Criminal and Anti-Bribery Risk Prevention Model and Competition Compliance Programme
2-24	Embedding policy commitments	4.7.1.1. The Due Diligence process 4.7.2.2. Values and Pillars of Corporate Ethics
2-25	Processes to remediate negative impacts	3.2.3. Identification of Impacts, Risks and Opportunities 4.7.1.1.2. Assessment of Potential Impacts of Business Activity 4.7.2.2.5. Internal Protection System for Informants
2-26	Mechanisms for seeking advice and raising concerns	2.4.3.2. Complaint and Grievance Mechanisms 4.7.2.2.5. Internal Protection System for Informants 4.7.2.2. Values and Pillars of Corporate Ethics
2-27	Compliance with laws and regulations	4.7.2.2.6. Litigation
2-28	Membership associations	2.4.5. Participation in Forums and Associations
2-29	Approach to stakeholder engagement	3.2.2. Review of Topics and Stakeholders 3.3.1. Assessment of the Priority and Fulfilment of Stakeholder Issues 2.1.3.1. Investor and Shareholder Relations 4.3.4.2. Customer Satisfaction 4.6.3.1.3. Communication Channels in the Supply Chain
2-30	Collective bargaining agreements	4.6.1.4. Social Dialogue

<b>GRI Standard</b>	<b>Content</b>	<b>Page number(s) and/or direct response</b>
GRI 3: Material Topics 2021		
3-1	Process to determine material topics	3.2. Double Materiality Analysis ANNEX I: Methodology for Preparing the Report
3-2	List of material topics	3.2. Double Materiality Analysis

GRI Standard	Content	Page number(s) and/or direct response
<b>Material issue: Creation of economic value</b>		
GRI 3: Material Topics 2021		
3-3	Management of material topics	2.1.3. The action
GRI 200: Series of economic standards		
201-1	Direct economic value generated and distributed	2.1.1.3.1. Wealth Generation 4.6.2.5. Quantification of Endesa's Social Investment in the Community
201-2	Financial implications and other risks and opportunities due to climate change	2.4.1.4. Key ESG Risks 4.1.3. Climate Strategy. Long-Term Scenarios 4.1.4. Risk Management 4.1.6.2. Climate Projects 4.2.2. Construction of New Projects - Renewables 4.5.1.3. Investment in Environmental Management 4.5.1.4. Managing Environmental Risks and Impacts
201-3	Defined benefit plan obligations and other retirement plans	4.6.1.2.3.5. Social Welfare
201-4	Financial Assistance Received from the Government	2.1.1.1. Financial Indicators

GRI Standard	Content	Page number(s) and/or direct response
<b>Material issue: Creation of economic value</b>		
GRI 3: Material Topics 2021		
3-3	Management of material topics	4.6.1.2.3.4. Remuneration Policy 4.6.1.2.3.2. Recruitment
GRI 202: Market presence		
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	4.6.1.2.3.4. Remuneration Policy
202-2	Proportion of senior management hired from the local community	4.6.1.2.3.2. Recruitment

GRI Standard	Content	Page number(s) and/or direct response
<b>Material issue: Creation of economic value</b>		
GRI 3: Material Topics 2021		
3-3	Management of material topics	4.6.2.1. Sustainable Business Under the CSV Approach
GRI 203: Indirect economic impacts		
203-1	Infrastructure investments and services supported	4.6.2.5. Quantification of Endesa's Social Investment in The Community 4.6.2.1. Sustainable Business Under the CSV Approach
203-2	Significant indirect economic impacts	4.6.2.4. Details of Sustainability Projects 4.6.2.6. Achievements, Impacts and Returns 4.6.2.1. Sustainable Business Under the CSV Approach 4.6.2.1.1. CSV Accompaniment to Business Projects 4.6.2.3. Sustainability Projects: Categorisation

GRI Standard	Content	Page number(s) and/or direct response
<b>Material issue: Sustainable Supply Chain</b>		
GRI 3: Material Topics 2021		
3-3	Management of material topics	4.6.3.2. Comprehensive Procurement Process 4.6.3.1.3. Communication Channels in the Supply Chain
GRI 204: Procurement Practices		
204-1	Proportion of spending on local suppliers	4.6.3.1.2. Commitment to local suppliers

GRI Standard	Content	Page number(s) and/or direct response
<b>Material issue: Corporate Conduct and ethics</b>		
GRI 3: Material Topics 2021		
3-3	Management of material topics	4.7.2.2.1. Code of Ethics and Zero Tolerance Plan Against Corruption <b>Error! Bookmark not defined.</b> 4.7.2.2.5. Internal Protection System for Informants
GRI 205: Anticorruption		
205-1	Operations assessed for risks related to corruption	4.7.2.2.5. Internal Protection System for Informants
205-2	Communication and training on anti-corruption policies and procedures	4.6.1.3.2. Training Type and Content <b>Error! Bookmark not defined.</b> 4.7.2.2.1. Code of Ethics and Zero Tolerance Plan Against Corruption
205-3	Confirmed incidents of corruption and actions taken	4.7.2.2.1. Code of Ethics and Zero Tolerance Plan Against Corruption 4.7.2.2.5. Internal Protection System for Informants

GRI Standard	Content	Page number(s) and/or direct response
<b>Material issue: Corporate Conduct and ethics</b>		
GRI 3: Material Topics 2021		
3-3	Management of material topics	4.7.2.2.1. Code of Ethics and Zero Tolerance Plan Against Corruption
GRI 206: Anti-competitive Behavior		
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	4.7.2.2.6. Litigation

GRI Standard	Content	Page number(s) and/or direct response
<b>Material issue: Corporate Conduct and ethics</b>		
GRI 207: Tax		
207-1	Approach to tax	4.7.4.1. Fiscal Policy
207-2	Tax governance, control, and risk management	4.7.4.1. Fiscal Policy 2.4.1.7. Competition Law Compliance Program
207-3	Stakeholder engagement and management of concerns related to tax	4.7.4.3. Relationship with Stakeholders
207-4	Country-by-country reporting	4.7.4.4. Tax Contribution

GRI Standard	Content	Page number(s) and/or direct response
<b>Material issue: Circular economy</b>		
GRI 3: Material Topics 2021		
3-3	Management of material topics	4.5.1. Environmental Management 4.5.1.1. Environmental Policy
GRI 300 Series of Environmental Standards		
301-1	Materials Used by Weight or Volume	4.5.2.1.2. Fuel Consumption
301-2	Recycled input materials used	4.5.4. Waste Management

GRI Standard	Content	Page number(s) and/or direct response
<b>Material issue: Preservation of biodiversity and ecosystems</b>		
GRI 3: Material Topics 2021		
3-3	Management of material topics	4.5.1. Environmental Management 4.5.1.1. Environmental Policy 4.5.2.1. Energy Resources
GRI 302: Energy		
302-1	Energy consumption within the organization	4.5.2.1.1. Electricity Consumption 4.5.2.1.2. Fuel Consumption
302-2	Energy consumption outside the organization	4.5.2.1.3. Energy Consumption
302-3	Energy Intensity	4.5.2.1.3. Energy Consumption
302-4	Reduction of energy consumption	4.5.2.1.3. Energy Consumption
302-5	Reduction of energy requirements for products and services	4.3.5.1. Products and Services

GRI Standard	Content	Page number(s) and/or direct response
<b>Material issue: Management of water resources</b>		
GRI 3: Material Topics 2021		
3-3	Management of material topics	4.5.3. Water Resources 4.5.3.1. Water Collection, Consumption and Discharge 4.5.3.2. Water Stress
GRI 303: Water and effluents		
303-1	Interaction with water as a shared resource	4.5.3.1. Water Collection, Consumption and Discharge
303-2	Management of water discharge-related impacts	4.5.3.1. Water Collection, Consumption and Discharge
303-3	Water withdrawal	4.5.3.1. Water Collection, Consumption and Discharge 4.5.3.2. Water Stress
303-4	Water discharge	4.5.3.1. Water Collection, Consumption and Discharge 4.5.4 Waste Management
303-5	Water consumption	4.5.3.1. Water Collection, Consumption and Discharge 4.5.3.2 Water Stress

GRI Standard	Content	Page number(s) and/or direct response
<b>Material issue: Preservation of biodiversity and ecosystems</b>		
GRI 3: Material Topics 2021		
3-3	Management of material topics	4.5.5. Biodiversity conservation
GRI 304: Biodiversity		
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	4.5.5.4. Impacts caused by activities or operations in protected areas
304-2	Significant impacts of activities, products and services on biodiversity	4.5.5.2. Participations Related to The Dissemination and Promotion of the Protection of Biodiversity 4.5.5.4. Impacts caused by activities or operations in protected areas
304-3	Habitats protected or restored	4.5.5.3. Environmental Restoration
304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	4.5.5.4. Impacts caused by activities or operations in protected areas



GRI Standard	Content	Page number(s) and/or direct response
<b>Material issue: Climate change</b>		
GRI 3: Material Topics 2021		
3-3	Management of material topics	4.1.2. Corporate Governance Focussed on Climate Change Management 4.1.5.1. Carbon Footprint 4.1.5.3. Objectives 4.5.2.2. Air Quality 4.5.2.3. Emissions Of Substances of Concern and Substances of Very High Concern 4.5.2.4. Noise and Light Pollution
GRI 305: Emissions		
305-1	Direct (Scope 1) GHG emissions	4.1.5.2. Direct and Indirect Greenhouse Gas (GHG) Emissions
305-2	Energy indirect (Scope 2) GHG emissions	4.1.5.2. Direct and Indirect Greenhouse Gas (GHG) Emissions
305-3	Other indirect (Scope 3) GHG emissions	4.1.5.2. Direct and Indirect Greenhouse Gas (GHG) Emissions
305-4	GHG emissions intensity	4.1.5.2. Direct and Indirect Greenhouse Gas (GHG) Emissions
305-5	Reduction of GHG emissions	4.1.5.2. Direct and Indirect Greenhouse Gas (GHG) Emissions
305-6	Emissions of ozone-depleting substances (ODS)	4.5.2.3. Emissions Of Substances of Concern and Substances of Very High Concern
305-7	Nitrogen oxides (NOx), sulphur oxides (SOx) and other significant air emissions	4.5.2.2. Air Quality 4.5.2.3. Emissions Of Substances of Concern and Substances of Very High Concern

GRI Standard	Content	Page number(s) and/or direct response
<b>Material issue: Circular economy</b>		
GRI 3: Material Topics 2021		
3-3	Management of material topics	4.5.4. Waste Management
GRI 306: Waste		
306-1	Waste generation and significant waste-related impacts	4.5.4. Waste Management
306-2	Management of significant waste related impacts	4.5.1.4. Managing Environmental Risks and Impacts 4.5.4. Waste Management
306-3	Waste generated	4.5.4. Waste Management
306-4	Waste diverted for disposal	4.5.4. Waste Management
306-5	Waste directed to disposal	4.5.4. Waste Management

GRI Standard	Content	Page number(s) and/or direct response
<b>Material issue: Sustainable Supply Chain</b>		
GRI 3: Material Topics 2021		
3-3	Management of material topics	4.6.3.2.2. Selection Process 4.6.3.3.3. Environmental Management
GRI 308: Supplier Environmental Assessment		
308-1	New suppliers that were screened using environmental criteria	4.6.3.3.3. Environmental Management 4.6.3.2.1. Qualification Process 4.6.3.2.3. Evaluation Process
308-2	Negative environmental impacts in the supply chain and actions taken	4.6.3.3.3. Environmental Management 4.6.3.2.3. Evaluation Process

GRI Standard	Content	Page number(s) and/or direct response
<b>Material issue: People management, diversity and inclusion</b>		
GRI 3: Material Topics 2021		
3-3	Management of material topics	4.6.1.5. Work Environment 4.6.1.6. Responsible Management of People 4.6.1.6.1. Diversity 4.6.1.6.1.2. Promoting Gender Equality 4.6.1.6.2. Balance Between Professional, Personal, and Family Life
GRI 401: Employment		
401-1	New employee hires and employee Turnover	4.6.1.2.3. Talent Attraction and Retention 4.6.1.1. Workforce
401-2	Benefits provided to full-time employees that are not provided to temporary or parttime employees	4.6.1.2.3.4. Remuneration Policy 4.6.1.2.3.5. Social Welfare 4.6.1.6.2. Balance Between Professional, Personal, and Family Life
401-3	Parental leave	4.6.1.6.2. Balance Between Professional, Personal, and Family Life

GRI Standard	Content	Page number(s) and/or direct response
<b>Material issue: People management, diversity and inclusion</b>		
GRI 3: Material Topics 2021		
3-3	Management of material topics	4.6.1.4. Social Dialogue
GRI 402: Labor/Management Relations		
402-1	Minimum Notice Periods for Operational Changes	4.6.1.4. Social Dialogue

GRI Standard	Content	Page number(s) and/or direct response
<b>Material issue: Health and safety</b>		
GRI 3: Material Topics 2021		
3-3	Management of material topics	4.7.3.1. A Safe and Healthy Environment
GRI 403: Occupational health and safety		
403-1	Occupational Health and Safety Management System	4.7.3.1. A Safe and Healthy Environment 4.7.3.1.2. Workplace Risk Prevention, Training and Inspections
403-2	Hazard Identification, Risk Assessment, and Incident Investigation	4.7.3.1. A Safe and Healthy Environment 4.7.3.1.2. Workplace Risk Prevention, Training and Inspections
403-3	Occupational health services	4.7.3.1.1. Occupational Health and Safety Management
403-4	Worker participation, consultation, and communication on occupational health and safety	4.7.3.1.4. Occupational Health and Safety Committees
403-5	Worker training on occupational health and safety	4.7.3.1.2. Workplace Risk Prevention, Training and Inspections 4.6.1.3.2. Training Type and Content
403-6	Promotion of worker health	4.7.3.1.3. Promoting a culture of occupational health and safety
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	4.7.3.1. A Safe and Healthy Environment
403-8	Workers covered by an occupational health and safety management system	4.7.3.1. A Safe and Healthy Environment 4.7.3.1.1. Occupational Health and Safety Management 4.7.3.2.1. Risk Activity Control Program
403-9	Work-related injuries	4.7.3.1.5. Decrease in Accident Rate 4.6.3.1.1. The Supply Chain in Numbers
403-10	Work-related ill health	4.7.3.1.5. Decrease in Accident Rate

GRI Standard	Content	Page number(s) and/or direct response
<b>Material issue: People management, diversity and inclusion</b>		
GRI 3: Material Topics 2021		
3-3	Management of material topics	4.6.1.2. Talent and Leadership Management 4.6.1.3. Training 4.6.1.3.2. Training Type and Content
GRI 404: Training and education		
404-1	Average hours of training per year per employee	4.6.1.3.1. Main Dimensions and Significant Aspects
404-2	Programs for upgrading employee skills and transition assistance programs	4.6.1.3.2. Training Type and Content 4.6.1.2.2. Talent Development
404-3	Percentage of employees receiving regular performance and career development reviews	4.6.1.2.1. Leadership Model

GRI Standard	Content	Page number(s) and/or direct response
<b>Material issue: People management, diversity and inclusion</b>		
GRI 3: Material Topics 2021		
3-3	Management of material topics	4.6.1.6.1. Diversity
GRI 405: Diversity and equal opportunity		
405-1	Diversity of governance bodies and employees	4.7.2.1.1. Leadership of the Board of Directors 4.6.1.6.1.3. Promotion of Other Dimensions of Diversity (Age, Nationality and Disability) 4.6.1.1. Workforce
405-2	Ratio of basic salary and remuneration of women to men	4.6.1.2.3.4. Remuneration Policy

GRI Standard	Content	Page number(s) and/or direct response
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GRI 3: Material Topics 2021		
3-3	Management of material topics	4.6.1.6.1. Diversity
GRI 406: Non-Discrimination		
406-1	Incidents of discrimination and corrective actions taken	4.6.1.6.1.1. The Diversity and Inclusion Policy

GRI Standard	Content	Page number(s) and/or direct response
<b>Material issue: People management, diversity and inclusion</b>		
GRI 3: Material Topics 2021		
3-3	Management of material topics	4.6.1.4. Social Dialogue
GRI 407: Freedom of association and collective bargaining		
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	4.6.1.4. Social Dialogue

GRI Standard	Content	Page number(s) and/or direct response
<b>Material issue: Sustainable Supply Chain</b>		
GRI 3: Material Topics 2021		
3-3	Management of material topics	4.6.1.2.3.3. Rejection of Forced and Child Labour
GRI 408: Child labor		
408-1	Operations and suppliers with significant risk of cases of child labor	4.6.1.2.3.3. Rejection of Forced and Child Labour 4.6.3.2.1. Qualification Process 4.6.3.2.3. Evaluation Process

GRI Standard	Content	Page number(s) and/or direct response
<b>Material issue: Sustainable Supply Chain</b>		
GRI 3: Material Topics 2021		
3-3	Management of material topics	4.6.1.2.3.3 Rejection of Forced and Child Labour
GRI 409: Forced or compulsory labor		
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	4.6.1.2.3.3. Rejection of Forced and Child Labour 4.6.3.2.1. Qualification Process 4.6.3.2.2. Selection Process

GRI Standard	Content	Page number(s) and/or direct response
<b>Material issue: People management, diversity and inclusion</b>		
GRI 3: Material Topics 2021		
3-3	Management of material topics	4.6.1.3.2. Training Type and Content
GRI 410: Security Practices		
410-1	Security personnel trained in human rights policies or procedures	4.6.1.3.2. Training Type and Content

GRI Standard	Content	Page number(s) and/or direct response
<b>Material issue: Participation of local and global communities</b>		
GRI 3: Material Topics 2021		
3-3	Management of material issues	4.6.2.1. Sustainable Business Under the CSV Approach
GRI 413: Local Communities		
413-1	Operations with local community engagement, impact assessments, and development programs	4.6.2.1. Sustainable Business Under the CSV Approach
413-2	Operations with significant actual and potential negative impacts on local communities	4.6.2.1. Sustainable Business Under the CSV Approach 4.6.2.6. Achievements, Impacts and Returns 4.6.2.6.1 Achievements 4.6.2.6.2 Impacts

GRI Standard	Content	Page number(s) and/or direct response
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GRI 3: Material Topics 2021		
3-3	Management of material topics	4.6.3.2.2. Selection Process 4.6.3.3.2. Compliance with Human Rights
GRI 414: Supplier Social Assessment		
414-1	New suppliers that were screened using social criteria	4.6.3.1.1. The Supply Chain in Numbers 4.6.3.2.2. Selection Process 4.6.3.3.2. Compliance with Human Rights 4.6.3.3.4. Occupational Health and Safety 4.6.3.2.1. Qualification Process 4.6.3.2.3. Evaluation Process
414-2	Negative social impacts on the supply chain and actions taken	4.6.3.3.1. Integrity and The Fight Against Corruption 4.6.3.2.3. Evaluation Process

GRI Standard	Content	Page number(s) and/or direct response
<b>Material issue: Corporate conduct and ethics</b>		
GRI 3: Material Topics 2021		
3-3	Management of material topics	4.7.2.2.1. Code of Ethics and Zero Tolerance Plan Against Corruption
GRI 415: Public policy		
415-1	Political contributions	4.7.2.2.1. Code of Ethics and Zero Tolerance Plan Against Corruption

GRI Standard	Content	Page number(s) and/or direct response
<b>Material issue: Commitment to the customer</b>		
GRI 3: Material Topics 2021		
3-3	Management of material issues	4.3.1.3. Security at Facilities 4.3.5.3. Security Measures in Products and Services to Customers
GRI 416: Customers health and safety		
416-1	Assessment of the health and safety impacts of product or service categories	4.3.1.3. Security at Facilities 4.3.5.3. Security Measures in Products and Services to Customers
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	4.7.2.2.6. Litigation

GRI Standard	Content	Page number(s) and/or direct response
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GRI 3: Material Topics 2021		
3-3	Management of material topics	4.3.4.1. Responsibility for Information and Portfolio of Products and Services 4.3.4.2. Customer Satisfaction
GRI 417: Marketing and labelling		
417-1	Requirements for product and service information and labeling	4.3.4.1. Responsibility for Information and Portfolio of Products and Services
417-2	Incidents of non-compliance concerning product and service information and labeling	4.7.2.2.6. Litigation
417-3	Incidents of non-compliance concerning marketing communications	4.7.2.2.6. Litigation

GRI Standard	Content	Page number(s) and/or direct response
<b>Material issue: Commitment to the customer</b>		
GRI 3: Material Topics 2021		
3-3	Management of material topics	4.3.2.3. Resolution of Customer Complaints
GRI 418: Customer privacy		
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	4.3.2.3. Resolution of Customer Complaints 4.7.2.2.6. Litigation

GRI Standard	Content	Page number(s) and/or direct response
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EU2	Net energy output	2.1.1. Financial, Operational and Sustainable Achievements 2.1.2.6.1. Power Generation
EU3	Number of residential, industrial, institutional, and commercial customer accounts	2.1.1.2. Operating Indicators
EU4	Transmission and distribution lines	4.3.1. Quality and Security of Electricity Supply
EU5	Allocation of CO <sub>2</sub> e emissions allowances or equivalent	4.1.7.1. Carbon Market and Offset Mechanisms
EU11	Average generation efficiency of thermal plants by energy source and by regulatory regime	4.5.2.1.5. Energy Efficiency and Unavailability in Electricity Generation
EU12	Transmission and distribution losses as a percentage of total energy	4.3.1.1. Development and Improvement of Distribution Infrastructures
EU13	Biodiversity of offset habitats compared to the biodiversity of the affected areas	4.5.5.4. Impacts Caused by Activities or Operations in Protected Areas <b>Error! Bookmark not defined.</b>
EU15	Percentage of employees eligible to retire in the next 5 and 10 years by job category and region	4.6.1.1. Workforce
EU17	Days worked by contractor and subcontractor employees involved in construction, operation, and maintenance activities	4.6.3.1.1. The Supply Chain in Numbers
EU18	Percentage of contractor and subcontractor employees that have undergone relevant health and safety training	4.7.3.2.2. Contractor Training
EU25	Number of injuries and fatalities to the public involving company assets including legal judgments, settlements and pending legal cases of diseases	4.7.2.2.6. Litigation
EU27	Number of residential disconnections due to non-payment broken down by duration of disconnection and by regulatory regime	4.3.3.1. Disconnections Due to Non-Payment and Reconnections for Household Customers
EU28	Power outage frequency	4.3.1.2. Continuity of Supply
EU29	Average power outage duration	4.3.1.2. Continuity of Supply
EU30	Average availability factor of the plant by energy source and by regulatory regime	4.5.2.1.5. Energy Efficiency and Unavailability in Electricity Generation



GRI Standard	Content	Page number(s) and/or direct response
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Biodiversity EUSS	3-3 Management of material topics	4.5.5. Biodiversity Conservation
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Research and development EUSS	3-3 Management of material topics	4.4.2.1. Investment in Research, Development and innovation (R+D+i) 4.4.2.2. Open Innovation Model 4.4.2.4. Innovation in the Electricity Distribution Network
Provision of information EUSS	3-3 Management of material topics	4.3.4.1. Responsibility for Information and Portfolio of Products and Services
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EUSS Demand Management	3-3 Management of material topics	4.4.1.2.2.1. Remote Management and Meter-Reading Control
EUSS System Efficiency	3-3 Management of material topics	4.5.2.1.5. Energy Efficiency and Unavailability in Electricity Generation
Customer health and safety EUSS	3-3 Management of material topics	4.3.1.3. Security at Facilities 4.3.5.3. Security Measures in Products and Services to Customers <b>Error! Bookmark not defined.</b>

## ANNEX III: Index of Content Required by Law 11/2018

Index of content required by Law 11/2018, of 28 December, which amends the Code of Commerce, the consolidated text of the Spanish Corporate Enterprises Act approved by Legislative Royal Decree 1/2010, of 2 July, and Law 22/2015, of 20 July, on the Audit of the Financial Statements with respect to non-financial information and diversity.

### Taxonomy

Areas	Reporting Framework	Reference
Taxonomy	Methodology based on compliance with EU Regulation 2020/852	4.4.4.2. European Taxonomy

### General areas

Areas	Reporting Framework	Reference	
Business model	Description of the <b>business model</b> : Business environment Organisation and structure Markets in which it operates Objectives and strategies Main factors and trends that may affect future development Main policies implemented by the Group	GRI 2-1, 2-6, 2-22	2.1.1. Financial, Operational and Sustainable Achievements 2.1.2.4. Core Business Activities 2.1.2.5. Main Markets 2.1.2.6. Organisational Structure Annex I Methodology for preparing the report 3.2. Double Materiality Analysis 4.7.1.1. The Due Diligence Process 4.7.1.2. Opportunities for Improvement and Action Plan 2.4.2. Endesa's Sustainability Plan 2024-2026 2.4.1.4. Key ESG Risks
Main Risks and Impacts Identified	Internal Control and Risk Management System Analysis of risks and impacts related to key issues		2.4.1.2. Risk Control and Management Governance 2.4.2. Endesa's Sustainability Plan 2024-2026 3.2. Double Materiality Analysis

### Environmental issues

Areas	Reporting Framework	Reference	
<b>Management Approach</b>			
Environmental management	<b>Current and foreseeable effects</b> of the company's activities	GRI 3-3, 2-12, 2-23	4.5.1. Environmental Management 4.5.1.1. Environmental Policy
	<b>Environmental assessment or certification</b> procedures	GRI 3-3-, 2-12	4.5.1.5. Environmental Management Systems
	<b>Resources dedicated</b> to the prevention of environmental risks	Internal Framework: Resources for the prevention of environmental risks	4.5.1.4. Managing Environmental Risks and Impacts
	Application of the <b>precautionary principle</b>	GRI 2-23	4.5.1.1. Environmental Policy
Contamination	Amount of <b>provisions and guarantees</b> for environmental risks	Internal Framework: Amount of provisions and guarantees for environmental risks	4.7.2.2.6. Litigation
	<b>Measures</b> to prevent, reduce or offset carbon emissions (also includes noise and light pollution)	GRI 305-7	4.5.2.2. Air Quality 4.5.2.4. Noise and Light Pollution
Circular economy and waste prevention and management	<b>Measures</b> for the prevention, recycling and reuse of waste, and other forms of recovery and disposal	GRI 306-2, 303-1	4.4.3.1. Circular Approach 4.5.4. Waste Management
	<b>Actions</b> to combat food waste		Actions to combat food waste are not reported as they are not considered a material issue.
Sustainable use of resources	<b>Water consumption</b> and water supply in accordance with local limitations	GRI 303-1, 303-3, 303-5, 306-5	4.5.3.1. Water Collection, Consumption and Discharge
	<b>Consumption</b> of raw materials and measures taken to improve the efficiency of their use	GRI 301-1	4.5.2.1.2. Fuel Consumption 4.5.2.1.5. Energy Efficiency and Unavailability In Electricity Generation
	<b>Direct</b> and indirect consumption of energy	GRI 302-1, 302-3	4.5.2.1. Energy Resources
	<b>Measures</b> taken to improve energy efficiency	GRI 302-4	4.5.2.1.5. Energy Efficiency and Unavailability In Electricity Generation
	<b>Use</b> of renewable energies	Internal Framework: Use of renewable energies	4.1.3. Climate Strategy. Long-Term Scenarios

Climate change	<b>Important elements of greenhouse gas emissions generated</b>	GRI 305-1, 305-2, 305-3, 305-4, 305-5	4.1.5.2. Direct and Indirect Greenhouse Gas (GHG) Emissions
	<b>Measures taken to adapt to the consequences of climate change</b>	GRI 201-2	4.1.4.2. Adaptation to Climate Change 2.4.1.4. Key ESG Risks
	<b>Reduction goals set voluntarily</b>	GRI 305-5	4.1.5.2. Direct and Indirect Greenhouse Gas (GHG) Emissions
Protection of biodiversity	<b>Measures taken to preserve or restore biodiversity</b>	GRI 304-3	4.5.5. Biodiversity Conservation 4.5.5.1. Biodiversity Conservation Plan 4.5.5.2. Participations Related to The Dissemination and Promotion of the Protection of Biodiversity
	<b>Impacts caused by activities or operations in protected areas</b>	GRI 304-2, 303-2	4.5.5.3. Environmental Restoration 4.5.5.4. Impacts Caused by Activities or Operations in Protected Areas 4.5.3.1. Water Collection, Consumption and Discharge

## Social and personnel issues

	Areas	Reporting Framework	Reference
<b>Management Approach</b>			
Employment	<b>Total number</b> and distribution of employees by gender, age, country and professional category	GRI 401-1	4.6.1.1. Workforce
	<b>Total number and breakdown by type of employment contract</b>	GRI 2-7	4.6.1.1. Workforce
	<b>Annual average</b> of indefinite, temporary and part-time contracts by gender, age and professional category	GRI 2-7	4.6.1.1. Workforce
	<b>Number of dismissals</b> by gender, age and professional category	Internal Framework: Number of contract terminations by gender, age and professional category	4.6.1.1. Workforce
	Wage gap	Internal Framework: Wage Gap Calculation	4.6.1. Empowering Our People 4.6.1.2.3.4. Remuneration Policy
	<b>Average remuneration</b> by gender, age and professional category	GRI 405-2	4.6.1.2.3.4. Remuneration Policy
	<b>Average remuneration</b> of Board of Directors by gender	GRI 405-2	4.7.2.1.2. Directors' Responsibilities, Duties and Remuneration
	<b>Average remuneration</b> of managers by gender	GRI 405-2	4.6.1.2.3.4. Remuneration Policy
	Implementation of <b>right to disconnect</b> policies	GRI 3-3	4.6.1.4. Social Dialogue
	<b>Employees with disabilities</b>	GRI 405-1	4.6.1.6.1.3. Promotion of Other Dimensions of Diversity (Age, Nationality and Disability)
Work organisation	<b>Organisation</b> of working time	Internal framework: Organisation of working time	4.6.1.4. Social Dialogue
	<b>Number</b> of hours of absenteeism	Internal Framework: Number of hours of absenteeism	4.7.3.1.5. Decrease in the Accident Rate
	<b>Measures</b> aimed at facilitating the enjoyment of work-life balance and encouraging the sharing of responsibilities in this respect by both parents	Internal Framework: Measures aimed at work-life balance	4.6.1.6.2. Balance Between Professional, Personal, and Family Life
Health & Safety	<b>Health and safety conditions</b> at work	GRI 414-1	4.7.3.1. A safe and healthy environment
	<b>Number</b> of accidents at work and occupational illness by gender, frequency and severity rate by gender	GRI 403-9, 403-10	4.7.3.1.5. Decrease in the Accident Rate
Social Relationships	<b>Organisation</b> of social dialogue, including procedures for informing and consulting personnel and negotiating with them	GRI 2-29	4.6.1.4. Social dialogue 4.6.1.5. Work Environment
	<b>Percentage</b> of employees covered by collective agreement by country	GRI 2-30	4.6.1.4. Social Dialogue
	<b>Balance</b> of collective agreements, particularly in the field of health and safety at work	GRI 2-30	4.6.1.4. Social Dialogue
	<b>Mechanisms and procedures</b> that the company can use to promote the involvement of workers in the management of the company, with regard to information, consultation and participation.	GRI 2-29	3.3.1. Assessment of the Priority and Fulfilment Of Stakeholder Issues 4.6.1.4. Social dialogue 4.6.1.5. Work Environment
Training	<b>Policies</b> implemented in the field of training	GRI 3-3	4.6.1.3. Training
	<b>Total number</b> of training hours by professional category.	GRI 401-1	4.6.1.3.1. Main Dimensions and Significant Aspects

Areas	Reporting Framework	Reference
<b>Management Approach</b>		
Universal accessibility for persons with disabilities	Internal Framework: Accessibility for people with disabilities	4.6.1.6.1.3. Promotion of Other Dimensions of Diversity (Age, Nationality and Disability)
Equality	<b>Measures</b> taken to promote equal treatment and opportunities for women and men	GRI 405-1, 405-2
	<b>Equality plans</b> , measures taken to promote employment, protocols against sexual and gender-based harassment	GRI 3-3
	<b>Integration and universal accessibility</b> of people with disabilities	Internal Framework: Integration and universal accessibility for people with disabilities
	<b>Policy</b> against all types of discrimination and, where applicable, diversity management policy	GRI 3-3
		4.6.1.6.1.2. Promoting Gender Equality
		4.6.1.6.1.2. Promoting Gender Equality 4.6.1.2.3.2. Recruitment
		4.6.1.6.1.3. Promotion of Other Dimensions of Diversity (Age, Nationality and Disability)
		4.6.1.6.1.1. The Diversity and Inclusion Policy

#### Information on respect for human rights

Areas	Reporting Framework	Reference
<b>Management Approach</b>		
<b>Application</b> of due diligence procedures in the field of human rights	GRI 2-23	4.7.1.1. The Due Diligence Process
Prevention of risks of human rights violations and, where appropriate, <b>measures</b> to mitigate, manage and redress possible abuses committed	GRI 2-23	4.7.1.1. The Due Diligence Process 4.7.1.2. Opportunities for Improvement and Action Plan
<b>Complaints</b> of human rights violations	GRI 2-26, 406-1	2.4.3.2. Internal Protection System for Informants and complaint mechanisms 2.4.3.3 Cases of human rights violations
<b>Promotion and compliance with the provisions of core ILO agreements</b> in relation to respect for freedom of association and the right to collective bargaining, the elimination of discrimination in employment and work, the elimination of forced and compulsory labour and the effective abolition of child labour	GRI 402-1, 403-1, 403-4, 2-30	4.6.1.2.3.3. Rejection of Forced and Child Labour 4.6.1.4. Social Dialogue 4.6.3.3.2. Compliance with Human Rights

#### Information on the fight against corruption and bribery

Scope	Reporting Framework	Reference
<b>Management Approach</b>		
<b>Measures</b> taken to prevent corruption and bribery	GRI 2-23, 2-26, 405-1, 3-3, 205-3	4.7.2.2. Values and pillars of corporate ethics
<b>Anti-money laundering</b> measures	GRI 2-23, 2-26	4.7.2.2.4. Measures to combat money laundering
<b>Contributions</b> to foundations and non-profit organisations	Internal Framework: Contributions to foundations and non-profit organisations	2.1.1. Financial, Operational and Sustainable Achievements

#### Information about the Company

Areas	Reporting Framework	Reference
<b>Management Approach</b>		
The company's commitments to sustainable development	<b>Impact</b> of the Company's activity on employment and local development	GRI 413-1, 413-3
	<b>Impact</b> of the Company's activity on local populations and regions	GRI 413-1, 413-2
	<b>Relations</b> with local community actors and forms of dialogue with them	GRI 2-29
	<b>Partnership and sponsorship</b> actions	Internal framework: Partnership and sponsorship actions
Subcontracting and suppliers	<b>Inclusion</b> of social, gender equality and environmental issues in purchasing policy	Internal Framework: Inclusion of social, gender equality and environmental issues in purchasing policy
	<b>Consideration</b> of social and environmental responsibility in relations with suppliers and subcontractors	GRI 2-6
	<b>Supervision systems</b> and audits and their results	Internal Framework: Supervision systems and audits and their results
Consumers	<b>Measures</b> for the health and safety of consumers	GRI 3-3
		4.6.2.6. Achievements, impacts and returns
		4.6.2. Engagement with local and global communities 4.6.2.6. Achievements, impacts and returns
		3.3.2. Channels of communication with stakeholders 4.6.2.4. Details of sustainability projects
		4.6.2.6.1. Achievements 4.3.3. Energy Poverty and Access to Electricity for Vulnerable Customers 2.4.5.5. Transparency in Institutional Relations
		4.6.3.2.1. Qualification Process
		4.6.3.3. ESG Supply Chain Management
		4.6.3.2.3. Evaluation Process
		4.3.1.3. Security at Facilities

	<b>Areas</b>	<b>Reporting Framework</b>	<b>Reference</b>
	<b>Management Approach</b>		
	<b>Complaint</b> systems	Internal Framework: Complaint systems	
	<b>Complaints</b> received and resolution thereof	Internal Framework: Complaints received and resolution thereof	4.3.2.3. Resolution of Customer Complaints
	<b>Profits</b> by country		
Tax Information	<b>Taxes</b> paid on income	GRI 201-2, 201-4	4.7.4.4. Tax Contribution
	<b>Public Subsidies</b> Received		

## ANNEX IV: Index of Content Required by SASB

The following table shows the main indicators required by SASB (Sustainability Accounting Standards Board) in its industry standard "Electric Utilities & Power Generators".

Category	Standard Number	Disclosure Number	GRI Correspondence	Disclosure Title	Disclosure Typology	Reference
Environmental	IF-EU-110	IF-EU-110a.1	305-1	Gross global Scope 1 emissions, percentage covered under emissions-limiting regulations, and emissions-reporting regulations	Quantitative	4.1.5. Metrics and Objectives.
Environmental	IF-EU-110	IF-EU-110a.2	305-3	Greenhouse gas (GHG) emissions associated with power deliveries	Quantitative	4.1.5. Metrics and Objectives.
Environmental	IF-EU-110	IF-EU-110a.3	201-2	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	Qualitative	2.4.1.4. Key ESG Risks 2.4.2. Endesa's Sustainability Plan 2024-2026. 4.1.1. Commitment to Climate Change. 4.1.4. Risk Management.
Environmental	IF-EU-110	IF-EU-110a.4	N/A	Number of customers served in markets subject to renewable portfolio standards (RPS) and percentage fulfilment of RPS target by market	Quantitative	Not applicable
Environmental	IF-EU-120	IF-EU-120a.1	305-7	Air emissions of the following pollutants: NO <sub>x</sub> (excluding N <sub>2</sub> O), SO <sub>x</sub> , particulate matter (PM <sub>10</sub> ), lead (Pb), and mercury (Hg); percentage of each in or near areas of dense population	Quantitative	4.5.2.2. Air Quality Data available for: SO <sub>2</sub> , NO <sub>x</sub> , PM <sub>10</sub> and Hg.
Environmental	IF-EU-140	IF-EU-140a.1	303-3; 303-5	Total water withdrawn, total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress	Quantitative	4.5.3.1. Water collection, consumption and discharge Endesa bases its calculation of the areas affected by water stress on the World Resources Institute's (WRI) Water Risk Atlas tool, Aqueduct.
Environmental	IF-EU-140	IF-EU-140a.2	N/A	Number of incidents of non-compliance associated with water quantity and/or quality permits, standards, and regulations	Quantitative	Unavailable
Environmental	IF-EU-140	IF-EU-140a.3	303-1; 303-2	Description of water management risks and discussion of strategies and practices to mitigate those risks	Qualitative	4.5.3. Water resources 2.4.1.4. Key ESG Risks
Environmental	IF-EU-150	IF-EU-150a.1	306-4	Amount of coal combustion residuals (CCR) generated, percentage recycled	Quantitative	4.5.4. Waste Management
Environmental	IF-EU-150	IF-EU-150a.2	N/A	Total number of coal combustion residual (CCR) impoundments,	Quantitative	Not applicable

Category	Standard Number	Disclosure Number	GRI Correspondence	Disclosure Title	Disclosure Typology	Reference
				broken down by hazard potential classification and structural integrity assessment		
Social	IF-EU-240	IF-EU-240a.1	N/A	Average retail electric rate for residential, commercial, and industrial customers	Quantitative	Not applicable
Social	IF-EU-240	IF-EU-240a.2	N/A	Typical monthly electric bill for residential customers for 500 kWh and 1,000 kWh of electricity delivered per month	Quantitative	Not applicable
Social	IF-EU-240	IF-EU-240a.3	EU27	Number of residential customer electric disconnections for non-payment, percentage reconnected within 30 days	Quantitative	4.3.1.1. Development and Improvement of Distribution Infrastructures 4.3.3.1. Disconnections due to Non-Payment and Reconnections for Household Customers
Social	IF-EU-240	IF-EU-240a.4	EU28; EU29; EU10; 3-3	Discussion of impact of external factors on customer affordability of electricity, including the economic conditions of the service territory	Qualitative	4.3. CLEAN ELECTRIFICATION 4.3.1.1. Development and Improvement of Distribution Infrastructures 4.3.1. Quality and Security of Electricity Supply
Social	IF-EU-320	IF-EU-320a.1	403-9; 403-10	Total recordable incident rate (TRIR), fatality rate, and near miss frequency rate (NMFR)	Quantitative	4.7.3.1.5. Decrease in the Accident Rate
Social	IF-EU-420	IF-EU-420a.1	N/A	Percentage of electric utility revenues from rate structures that (1) are decoupled and (2) contain a lost revenue adjustment mechanism (LRAM)	Quantitative	Not applicable
Social	IF-EU-420	IF-EU-420a.2	N/A	Percentage of electric load served by smart grid technology	Qualitative/Quantitative	Not available
Social	IF-EU-420	IF-EU-420a.3	N/A	Customer electricity savings from efficiency measures, by market (megawatt hours)	Qualitative/Quantitative	Unavailable
Social	IF-EU-540	IF-EU-540a.1	N/A	Total number of nuclear power units, broken down by U.S. Nuclear Regulatory Commission (NRC) Action Matrix Column	Quantitative	Unavailable
Social	IF-EU-540	IF-EU-540a.2	EU21	Description of efforts to manage nuclear safety and emergency preparedness	Qualitative	4.5.1.6. Nuclear Activity Management
Economic	IF-EU-550	IF-EU-550a.1	N/A	Number of incidents of non-compliance with physical and/or cybersecurity standards or regulations	Quantitative	Unavailable
Economic	IF-EU-550	IF-EU-550a.2	EU28; EU29	System Average Interruption Duration Index (SAIDI), System	Quantitative	4.3.1.2. Continuity of Supply Only the SAIDI (known as NIEPI in Spanish



Category	Standard Number	Disclosure Number	GRI Correspondence	Disclosure Title	Disclosure Typology	Reference
				Average Interruption Frequency Index (SAIFI), and Customer Average Interruption Duration Index (CAIDI), inclusive of major event days		legislation) and SAIFI (known as TIEPI in Spanish legislation) indicators are reported. The CAIDI indicator is not available
Social	IF-EU-000	IF-EU-000.A	N/A	Number of: residential, commercial and industrial customers served	Quantitative	2.1.1. Operational Sustainable Achievements Information partially available
General	IF-EU-000	IF-EU-000.B	N/A	Total electricity delivered to: residential, commercial, industrial, all other retail and wholesale customers	Quantitative	2.1.1. Operational Sustainable Achievements Information partially available
General	IF-EU-000	IF-EU-000.C	EU4	Length of transmission and distribution lines	Quantitative	4.3.1. Quality and Security of Electricity Supply
General	IF-EU-000	IF-EU-000.D	EU2	Total electricity generated, percentage by major energy source, percentage in regulated markets	Quantitative	2.1.1. Operational Sustainable Achievements Only the data on electricity generated and the percentage by technology are available.
Economic	IF-EU-000	IF-EU-000.E	N/A	Total wholesale electricity purchased	Quantitative	Unavailable



## ANNEX V: Index of Content of the World Economic Forum (WEF)

The World Economic Forum (WEF) has defined common metrics, through performance indicators (KPIs), to report, measure and compare the levels of sustainability of companies through its report "Measuring Stakeholder Capitalism: Towards Common Metrics and Consistent Reporting of Sustainable Value Creation" in order to measure the effectiveness of its actions to achieve the Sustainable Development Goals (SDGs) established by the United Nations in the business model adopted to create value for stakeholders.

In the following table, Endesa shows the 21 core key performance indicators (KPIs) described in the World Economic Forum (WEF) report, arranged in accordance with the four core conceptual pillars of the "Environmental, Social, Governance" (ESG) criteria, and how these correspond to the key performance indicators (KPIs) detailed in this Non-Financial and Sustainability Statement.

NON-FINANCIAL AND SUSTAINABILITY STATEMENT 2023								
Pillar	Aspects	21 core KPIs	KPIs representing the 21 World Economic Forum core KPIs	2023	2022	2021	References <sup>(1)</sup>	
Principles of Governance	Governing purpose	Setting purpose	-	Open Power strategic positioning			2.1.2.1. Open Power Strategic Positioning	
	Quality of governing body	Governance composition	Women on the Board of Directors (%)	41.7	41.7	36.4	4.6.1.6.1.2. Promoting Gender Equality	
	 Stakeholder engagement	Material issues impacting stakeholders	-	Priorities for the company and stakeholders			3.2.2. Review of Topics and Stakeholders	
Ethical behaviour	Protected ethics advice and reporting mechanisms	ethics	Complaints of breaches received through the ethics channel and other means (No.) <sup>(2)</sup>	12	12	7	4.7.2.2.5. Internal Protection System for Informants	
			Corruption-related incidents identified (No.)	0	0	1		
	Anti-corruption	ethics	Employees trained in anti-corruption policies and procedures (No.)	3,778	4,926	3,678	4.6.1.3.2. Training Type and Content	
			Risks and opportunity oversight	Integrating risk and opportunity into business processes	-			
Climate change	Greenhouse Gas Emissions	Gas	Scope 1 GHG emissions (tCO <sub>2</sub> eq)	11,787,199	13,608,478	10,812,036	4.1.5.2. Direct and Indirect Greenhouse Gas (GHG) Emissions	
			Scope 2 GHG Emissions (tCO <sub>2</sub> eq) <sup>(3)</sup>	290,497	369,980	437,734		
			Scope 3 GHG emissions (tCO <sub>2</sub> eq)	18,772,554	20,967,027	23,994,612		
			Total (tCO <sub>2</sub> eq)	30,850,251	34,945,484	35,244,381		
	TCFD implementation	-				ANNEX VI: Index of TCFD Content		
Planet	Nature loss	Land Use and Ecological Sensitivity	Area Occupied by Facilities within a Natural Area (km <sup>2</sup> )	116	374	789	4.5.5.4. Impacts Caused by Activities or Operations in Protected Areas	
			Water withdrawal (hm <sup>3</sup> )	5,350	5,399	4,864	Water Collection, Consumption and Discharge	
	Fresh water availability	Water consumption and withdrawal in water-stressed areas	Water withdrawal in Stressed Areas (%)	11.4	14.6	18	4.5.3.2. Water Stress	
			Water consumption (hm <sup>3</sup> )	21.6	25.8	17.7	4.5.3.1. Water Collection, Consumption and Discharge	
			Water consumption in stress zones (hm <sup>3</sup> )	0.126	0.139	0.156	4.5.3.2. Water Stress	
People	Dignity and Equality	and	Diversity and inclusion	Percentage of women in total final workforce (%)	26.8	26.3	25.5	4.6.1.1. Workforce
			Pay equality	Wage gap. Fixed remuneration + variable remuneration + social benefits (%)	3.7	3.8 <sup>(5)</sup>	6.1	4.6.1.2.3.4. Remuneration Policy
			Wage Level	Remuneration ratio of the Chief Executive Officer <sup>(6)</sup>	32	37	33	4.7.2.1.2. Directors' Responsibilities, Duties and Remuneration

**NON-FINANCIAL AND SUSTAINABILITY STATEMENT 2023**

Pillar	Aspects	21 core KPIs	KPIs representing the 21 World Economic Forum core KPIs	2023	2022	2021	References <sup>(1)</sup>	
Prosperity	Health and wellbeing	Risk for incidents of child, forced or compulsory labour	Evaluation of the supply chain for protection from child labour and prohibition of forced and compulsory labour	Sustainability Requirements in contracting			4.6.3.2. Comprehensive Procurement Process	
			Health & Safety	Fatal accidents (No.) <sup>(7)</sup>	1	0	1	4.7.3.1.5. Decrease in the Accident Rate
				Accident frequency index <sup>(7)</sup>	0.35	0.33	0.57	
	Serious accidents (No.) <sup>(7)</sup>	2		0	2			
	Skills for the Future	Training Provided	Average hours of training per employee per year (hours per head) <sup>(8)</sup>	51.81	45.69	43.95	4.6.1.3.1. Main Dimensions and Significant Aspects	
			Direct costs of the training activity (million euros)	12.76	36.1	34.3		
	Wealth creation and employment	Absolute number and rate of employment	Employees (No.) <sup>(9)</sup>	9,035	9,258	9,258	4.6.1.1. Workforce	
			New employee hires (No.)	362	648	678		
			Hiring rate (%) <sup>(10)</sup>	4.0	7.0%	7.3%		
			Dismissals (No.)	12	11	10		
			Turnover rate (%) <sup>(11)</sup>	5.6	6.0	10.1		
			Economic Contribution	-				2.1.1.1. Financial Metrics
	Financial investment contribution disclosure	Total gross investment (millions of euros) <sup>(13)</sup>	2,463	2,370	2,389	2.1.1.1.1. Investments		
		Purchases of own shares (millions of euros) <sup>(12)</sup>	4	4.8	3.4	Note 35.1.8 of the notes to the consolidated financial statements		
Dividends paid (millions of euros)		1,678	2,132	2,132	2.1.2.2. Sustainable Value Creation			
Innovation in better products and services	Total R&D expenses	Gross direct investment in research, development and innovation (R+D+i) (millions of euros)	114 <sup>(13)</sup>	91	110	4.4.2.1. Investment in Research, Development and Innovation (R+D+i)		
Community and Social Vitality	Total tax paid	Economic value distributed to public administrations (millions of euros) <sup>(14)</sup>	1,554	1,857	1,147	2.1.1.3.1. Wealth Generation		

<sup>1</sup>Sections of this Non-Financial Information and Sustainability Statement for the year ended 31 December 2023.

<sup>2</sup>One of the complaints is currently under investigation.

<sup>3</sup>The results of scope 2 of Endesa's carbon footprint are obtained by applying the following approaches: The market-based approach is applied to electricity consumption and the location-based approach is applied to technical losses incurred during electricity distribution.

<sup>4</sup>As at 31 December 2023. Difference in the age-weighted average of fixed remuneration, variable remuneration and social benefits between men's and women's salaries (%) for the financial year 2023.

<sup>5</sup>Methodological change in the calculation of the wage gap.

<sup>6</sup>Ratio of the total remuneration of the Chief Executive Officer of Endesa and the average gross annual remuneration of Endesa employees (excluding the Chief Executive Officer).

<sup>7</sup>Includes own and subcontractor personnel.

<sup>8</sup>Average training given per employee (average number of hours of training).

<sup>9</sup>At 31 December.

<sup>10</sup>Percentage of new hires compared to final workforce.

<sup>11</sup>Percentage of contracts terminated compared to final workforce.

<sup>12</sup>Total cumulative cost of acquisition of treasury shares as of December 31, 2023.

<sup>13</sup>Gross direct investment in research, development and innovation (R+D+i) during 2023.

<sup>14</sup>See paragraph 7: Alternative Performance Measures (APMs) of the Consolidated Management Report 2023.

## ANNEX VI: Index of TCFD Content

Reflecting Endesa's commitment to climate change-related disclosures, the following table shows the alignment of the company's disclosure with respect to the "Guidelines on climate-related reporting" published by the European Commission in June 2019, and taking into account the results of the first work carried out by the European Lab Project Task Force on Climate-related Reporting (PTF-CRR), which compiles associated best practices ("How to improve climate-related reporting"), and with respect to the Financial Stability Board's Task Force on Climate-related Financial Disclosures (TCFD), which published recommendations for voluntary reporting on the financial impact of climate risks in June 2017.

### NON-FINANCIAL AND SUSTAINABILITY STATEMENT 2023

Zero Emissions Ambition	Recommendations from the TCFD (Task Force on Climate-related Financial Disclosures)	European Commission Guidelines on Climate Change
4.1.1. Commitment to Climate Change 4.2. Just Energy Transition 4.1.6. Climate Change Initiatives 4.1.7. Carbon market		Due Diligence Policies and Process
4.1.2. Corporate Governance Focused on Climate Change Management	<b>Governance:</b> recommendation a) and b)	Due Diligence Policies and Process
4.1.3.1. Scenarios 4.1.3.1.1. Transition Scenarios 4.1.3.1.2. Physical Scenarios 4.1.3.1.3. Joint Effect of Transition Scenarios and Physical Scenarios on Electricity Demand	<b>Strategy:</b> Recommendation (c)	Business Model
4.1.4.2. Adaptation to Climate Change	<b>Strategy:</b> Recommendation (b), (c)	Business Model
4.1.4.1. Chronic and Acute Physical Risks and Opportunities 4.1.4.3. Transition Risks and Opportunities	<b>Strategy:</b> Recommendation (a) <b>Risk management:</b> recommendation a), b), c)	Main risks and their management
4.1.5.1. Carbon Footprint 4.1.5.2. Direct and Indirect Greenhouse Gas (GHG) Emissions 4.1.5.3. Objectives	<b>Metrics and objectives:</b> recommendation a), b), c)	Results: Key Performance Indicators

## ANNEX VII: Index of Content of the SFDR Regulation

In this Annex, Endesa breaks down the contents required by Regulation 2019/2088 (SFDR), whose objective is to establish harmonised rules on transparency to be applied by market participants and financial advisors in relation to the integration of sustainability risks and the analysis of adverse sustainability impacts in their processes and sustainability reporting regarding financial products.

Although Endesa is not obliged to disclose the information presented below, since it would not be under the scope of the Regulation, it considers that it is relevant information for its stakeholders, thus improving transparency for them.

### Key Indicators

#### Climate and other environment-related indicators

Topic	SFDR Indicator	SFDR Parameter	2023	2022	Reference Non-financial and sustainability statement 2023
Greenhouse gas (GHG) emissions	1. GHG emissions	Scope 1 GHG emissions (tCO <sub>2</sub> eq)	<b>11,787,199</b>	13,608,478	4.1.5.2. Direct and Indirect Greenhouse Gas Emissions (GHG)
		Scope 2 GHG emissions (tCO <sub>2</sub> eq) <sup>(1)</sup>	<b>290,497<sup>(1)</sup></b>	369,980	
		Scope 3 GHG emissions (tCO <sub>2</sub> eq)	<b>18,772,554</b>	20,967,027	
	2. Carbon footprint	Total GHG emissions (tCO <sub>2</sub> eq)	<b>30,850,251</b>	34,945,484	4.1.5.2. Direct and Indirect Greenhouse Gas Emissions (GHG)
	3. GHG Intensity	Scope 1, 2 and 3 GHG emissions divided by revenues in millions of euros (tCO <sub>2</sub> eq/million euros)	<b>1,212</b>	1,062	4.1.5.2. Direct and Indirect Greenhouse Gas Emissions (GHG)
	4. Exposure to companies active in the fossil fuel sector	Companies active in the fossil fuel sector	Endesa is active in the fossil fuel sector.		
Greenhouse gas (GHG) emissions	5. Share of non-renewable energy production and consumption	Share of non-renewable energy consumption and non-renewable energy production from non-renewable energy sources compared to renewable energy sources (proportion of all energy sources)	Proportion of non-renewable energy consumption: 99.97%	Proportion of non-renewable energy consumption: 99.97%	4.5.2.1.3. Energy Consumption
			Non-renewable consumption: 0.3%	Non-renewable consumption: 0.3%	
	6. Energy consumption intensity per high impact climate sector	Energy consumption in GWh per million euros of revenue (GWh/million euros)	<b>4.8</b>	4.1	4.5.2.1.3. Energy Consumption
Biodiversity	7. Activities negatively affecting biodiversity-sensitive areas	Companies with sites or operations located in or near biodiversity-sensitive areas where the activities of such companies negatively affect those areas	Endesa carries out environmental impact studies at its facilities, and additionally has a No Net Loss objective, for which it applies a mitigation hierarchy in order to avoid, reduce, minimise and compensate for potential impacts.		4.5.5. Biodiversity Conservation
Water	8. Emissions to water	Tonnes of emissions to water	Endesa publishes annual emissions data from its combustion plants with a thermal capacity of more than 50 MW in the E-PRTR register: <a href="https://prtr-es.es/">https://prtr-es.es/</a>		
Waste	9. Hazardous waste and radioactive waste ratio	Tonnes of hazardous waste and radioactive waste generated	<b>Hazardous waste: 16,332 tonnes Radioactive waste: 172 m3</b>	Hazardous waste: 13,855 tonnes Radioactive waste: 184 m3	4.5.4. Waste Management

## Indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters

Topic	SFDR Indicator	SFDR Parameter	2023	2022	Reference Non-financial and sustainability statement 2023
Social and labour affairs	10. Violations of UN Global Compact principles and Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises	Companies that have been linked to violations of UN Global Compact principles or OECD Guidelines for Multinational Enterprises	0	0	4.7.2.2.5. Internal Protection System for Informants
	11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises	Companies without policies to monitor compliance with the principles of the UN Global Compact principles or the OECD Guidelines for Multinational Enterprises or without complaints or grievance /complaints handling mechanisms to address violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	Endesa has a complaints and claims management mechanism in place to address breaches of the principles of the UN Global Compact principles and the OECD Guidelines for Multinational Enterprises.		2.4.3.2. Internal Protection System for Informants and Complaint Mechanisms
	12. Unadjusted gender pay gap	Difference between average gross hourly earnings of salaried men and women employees, as a percentage of average gross earnings	3.7%	3.8%	4.6.1.2.3.4. Remuneration Policy
	13. Board gender diversity	Ratio of the number of women on the board of directors to the total number of members (male and female) of the board of directors	41.7%	41.7%	4.6.1.6.1.2. Promoting Gender Equality
	14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)	Companies involved in the manufacture or selling of controversial weapons	Endesa is not related to the manufacture or sale of controversial weapons.		

## Additional Indicators

### Climate and other environment-related indicators

Topic	SFDR Indicator	SFDR Parameter	2023	2022	Reference Non-financial and sustainability statement 2023
Emissions	1. Emissions of inorganic pollutants	Tonnes of inorganic pollutants equivalent per million EUR invested	Not applicable (only for the large volume inorganic chemicals industry)		
	2. Emissions of air pollutants	Air pollutant equivalent tonnes	SO <sub>2</sub> : 7,147 tonnes NO <sub>x</sub> : 42,527 tonnes Particles: 677 tonnes	SO <sub>2</sub> : 7,596 tonnes NO <sub>x</sub> : 43,088 tonnes Particles: 682 tonnes	4.5.2.2. Air Quality
	3. Emission of ozone-depleting substances	Equivalent tonnes of ozone-depleting substances	During the years 2023 and 2022, no ozone-depleting substances have been produced.		4.5.2.3. Emissions of Substances of Concern and Substances of Very High Concern
	4. Investments in companies without carbon emission reduction initiatives	Companies without carbon reduction initiatives aimed at aligning with the Paris Agreement	Endesa has initiatives to reduce CO <sub>2</sub> emissions in line with the Paris Agreement.		4.1 OUR ZERO EMISSIONS AMBITION

Topic	SFDR Indicator	SFDR Parameter	2023	2022	Reference Non-financial and sustainability statement 2023	
energy efficiency	5. Breakdown of energy consumption by type of non-renewable energy source	Proportion of energy from non-renewable sources by each non-renewable energy source	Coal: 9,684 TJ (2%) Fuel oil: 31,440 TJ (7%) Gas oil: 43,909 TJ (10%) Natural gas: 91,772 TJ (21%) Uranium: 265,773 TJ (60%)	Coal: 11,281 TJ (2%) Fuel oil: 32,386 TJ (7%) Gas oil: 41,758 TJ (9%) Natural gas: 122,051 TJ (25%) Uranium: 282,872 TJ (58%)	4.5.2.1.3. Energy Consumption	
	6. Water usage and recycling	1. Average amount of water consumed (in cubic metres) per million euros of revenue	1. Water consumed: 847 m <sup>3</sup> /€M	1. Water consumed: 785 m <sup>3</sup> /€M	4.5.3.1. Water Collection, Consumption and Discharge	
		2. Recycled and reused water (cubic metres)	2. Recycled water: 107,400 m <sup>3</sup>	2. Recycled water: 95,785 m <sup>3</sup>	2.1.1.1. Financial Indicators	
	7. Investments in companies without water management policies	Companies without water management policies	Endesa has a water management policy (included in the Environmental Policy).		4.5.1.1. Environmental Policy	
	8. Exposure to areas of high water stress	Companies with headquarters located in areas of high water stress with no water management policy	Endesa has installations located in areas with water stress, but it has a water management policy (included in the Environmental Policy).		4.5.3.2. Water Stress 4.5.1.1. Environmental Policy	
	9. Investments in companies that produce chemicals	Companies whose activities fall within division 20.2 of Annex I to Regulation (EC) No 1893/2006 (Manufacture of pesticides and other agrochemicals)		Not applicable		
	10. Land degradation, desertification, soil sealing	Companies whose activities may cause land degradation, desertification or soil sealing	Endesa considers soil to be an environmental resource with the highest value, minimising its degradation, maintaining its natural character when possible and applying agricultural uses in those cases where it is compatible.			
	Water, waste and material emissions	11. Investment in companies without sustainable agriculture or land-use practices	Companies without sustainable agricultural or land-use practices or policies		Not applicable	
		12. Investment in companies without sustainable ocean/seas practices	Companies without sustainable ocean/seas practices or policies		Not applicable	
		13. Non-recycled waste ratio	Tonnes of non-recycled waste generated	<b>11,114 tonnes</b>	4,654 tonnes	4.5.4. Waste Management.
14. Natural species and protected areas	1. Companies whose operations affect endangered species		Endesa has commitments not to develop new projects in areas declared World Natural Heritage by UNESCO. It has an additional commitment to that assumed in the Biodiversity Policy not to operate thermal generation facilities in protected natural areas in the Iberian Peninsula and not to design or develop new thermal generation facilities in protected natural areas in non-peninsular territories.			
	2. Companies with no biodiversity protection policies covering operational sites owned, leased or managed in a protected area or in an area of high biological value outside or adjacent to protected areas		Endesa has had a Biodiversity Policy since 2020, which has been updated in 2023 to align it with the Kunming-Montreal global biodiversity framework.			
15. Deforestation	Companies without policies to address deforestation		In 2022, Endesa published a new target of no net deforestation by 2030, starting its implementation in selected projects of high importance for biodiversity from 2025.			

Topic	SFDR Indicator	SFDR Parameter	2023	2022	Reference Non-financial and sustainability statement 2023
Ecological values	16. Share of securities not issued under EU legislation on environmentally sustainable bonds	Share of securities in investments not issued under EU legislation on environmentally sustainable bonds			Not applicable

### Indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters

Topic	SFDR Indicator	SFDR Parameter	2023	2022	Reference Non-financial and sustainability statement 2023	
Social and labour affairs	1. Investments in companies without workplace accident prevention policies	Companies without workplace accident prevention policies	Endesa has a Health, Safety and Working Conditions Policy.		4.7.3.1. A Safe and Healthy Environment	
	2. Accident Rate	Accident Rate	<b>0.35</b>	0.33	4.7.3.1.5. Decrease in the Accident Rate	
	3. Number of days lost due to injury, accident, death, or illness	Number of workdays lost due to injury, accident, death, or illness	<b>0.08</b>	0.06	4.7.3.1.5. Decrease in the Accident Rate (Severity index: Total number of days lost, excluding journeys to and from work vs total number of hours worked multiplied by 1,000).	
	4. Absence of a supplier code of conduct	Companies with no supplier code of conduct (facing unsafe working conditions, precarious labour, child labour and forced labour)	Endesa, through its General Contracting Conditions, extends its Code of Ethics and Human Rights Policy to its suppliers.		4.6.3.3.2. Compliance with Human Rights	
	5. Lack of a grievance/complaints handling mechanism related to labour matters	Companies with no mechanism for handling claims or complaints related to labour matters	Endesa has a mechanism for handling claims or complaints related to labour matters.		2.4.3.2. Internal Protection System for Informants and Complaint Mechanisms	
	6. Insufficient whistleblower Protection	Entities without Policies on the protection of whistleblowers	Endesa guarantees the confidentiality of the identity of the informants.		2.4.3.2. Internal Protection System for Informants and Complaint Mechanisms	
	7. Incidents of discrimination	1. Number of incidents of discrimination reported		<b>0</b>	0	4.7.2.2.5. Internal Protection System for Informants
		2. Number of incidents of discrimination resulting in sanctions		<b>0</b>	0	4.7.2.2.5. Internal Protection System for Informants
8. Excessive CEO pay ratio	Average ratio of the annual total compensation for the highest compensated individual to the median annual total compensation for all employees (excluding the highest-compensated individual)		<b>32</b>	37	4.7.2.1.2. Directors' Responsibilities, Duties and Remuneration	
Human rights	9. Lack of human rights policy	Entities without a human rights policy (political commitment on human rights, approved at board level, that the company's economic activities will be in accordance with the UN Guiding Principles on Business and Human Rights)	Endesa has a Human Rights policy approved by Endesa's Board of Directors that is based on UN principles.		2.4.3.1. Human Rights Policy	

Topic	SFDR Indicator	SFDR Parameter	2023	2022	Reference Non-financial and sustainability statement 2023
	10. Lack of due diligence	Entities with no due diligence process to identify, prevent, mitigate and address adverse human rights impacts	Endesa has a human rights due diligence process in place to assess the level of compliance with its policy.		4.7.1.1. The Due Diligence Process
	11. Absence of processes and measures to prevent trafficking in human beings	Companies investing in without anti-trafficking policies	The rejection of human trafficking is part of Endesa's human rights policy.		2.4.3.1. Human Rights Policy
	12. Operations and suppliers with significant risk of child labour incidents	Companies exposed to operations and suppliers with a significant risk of child labour incidents in terms of geographical areas or types of operation	There is no risk of child labour.		4.6.1.2.3.3. Rejection of Forced and Child Labour 4.6.3.3.2. Compliance with Human Rights
	13. Operations and suppliers with significant risk of forced or compulsory labour incidents	Companies exposed to operations and suppliers with a significant risk of forced or compulsory labour incidents in terms of geographical areas or types of operation	There is no risk of forced labour.		4.6.1.2.3.3. Rejection of Forced and Child Labour 4.6.3.3.2. Compliance with Human Rights
	14. Number of identified cases of severe human rights issues and incidents	Number of cases of severe human rights issues and incidents	0	0	4.7.2.2.5. Internal Protection System for Informants
	15. Lack of anti-corruption and anti-bribery policies	Entities without anti-corruption and anti-bribery policies consistent with the United Nations Convention against Corruption	Endesa has a Zero Tolerance Plan Against Corruption and a Criminal Risk Prevention and Anti-Bribery Model.		4.7.2.2.1. Code of Ethics and Zero Tolerance Plan Against Corruption 4.7.2.2.3. Endesa's Criminal and Anti-Bribery Risk Prevention Model and Competition Compliance Programme
Fight against corruption and bribery	16. Cases of insufficient action to address breaches of standards of anti-corruption and bribery	Companies with identified insufficiencies in actions taken to address breaches in procedures and standards of anti-corruption and anti-bribery	The measures taken are sufficient to address non-compliance with anti-corruption and bribery rules.		4.7.2.2.5. Internal Protection System for Informants
	17. Number of convictions and amount of fines for violation of anti-corruption and anti-bribery laws	Number of convictions and amount of fines for violations of anti-corruption and anti-bribery laws	0	0	

<sup>1</sup>The results of scope 2 of Endesa's carbon footprint are obtained by applying the following approaches: The market-based approach is applied to electricity consumption and the location-based approach is applied to technical losses incurred during electricity distribution.



## ANNEX VIII: Breakdown of Activities Considered Environmentally Sustainable by European Taxonomy

Information requested by Annex V of Delegated Regulation (EU) 2023/2486, of 27 June 2023, amending Commission Delegated Regulation (EU) 2021/2178 as regards specific public disclosures for those economic activities

The level of alignment of Endesa's economic activities with the EU taxonomy as a result of its contribution to the climate change mitigation objective is detailed below.

### Breakdown of Turnover KPI

#### KPI TURNOVER BREAKDOWN

Proportion of turnover from products or services associated with Taxonomy-aligned economic activities – disclosure covering year 2023

Financial year 2023	2023		Substantial contribution criteria								DNSH Criteria ("Does Not Significantly Harm")								Category	
	Taxonomy Code	Absolute Turnover "revenue" 2023	Proportion of Turnover "revenue" 2023	Climate Change Mitigation (CCM)	Climate Change Adaptation (CCA)	Water and marine resources (WTR)	Circular Economy (CE)	Pollution (PPC)	Biodiversity and ecosystems (BIO)	Climate Change Mitigation (CCM)	Climate Change Adaptation (CCA)	Water and marine resources (WTR)	Circular Economy (CE)	Pollution (PPC)	Biodiversity and ecosystems (BIO)	Minimum Safeguards	Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) turnover "revenue", 2022	Category enabling activity	Category transitional activity	
Economic Activities	millions of euro	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T		
<b>A. TAXONOMY-ELIGIBLE ACTIVITIES.</b>																				
<b>A.1. Environmentally sustainable activities (Taxonomy-aligned).</b>																				
Electricity generation from wind power.	CCM 4.3	525.6	2.1%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	Y	2.1%		
Electricity generation using solar photovoltaic technology.	CCM 4.1	229.9	0.9%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	Y	0.4%		
Electricity generation from hydropower.	CCM 4.5	451.6	1.8%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	Y	0.3%		
Storage of electricity.	CCM 4.10	0.0	0.0%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	Y	0.0%	E	
Transmission and distribution of electricity.	CCM 4.9	2,465.8	9.7%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	Y	71%	E	
Installation, maintenance and repair of energy efficiency equipment (Endesa X - Smart Lighting).	CCM 7.3 d	12.9	0.1%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	Y	0.0%	E	
Urban and suburban transport, road passenger transport (Endesa X - e-Bus).	CCM 6.3 a	8.6	0.0%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	Y	0.0%		
Installation, maintenance and repair of energy efficiency equipment (Endesa X - Energy Efficiency).	CCM 7.3 a-e	2.8	0.0%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	Y	0.0%	E	
Installation, maintenance and repair of energy efficiency equipment (7.3). Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings (7.5). Installation, maintenance and repair of renewable energy technologies (7.6). (Endesa X - Home).	CCM 7.3 a-e; 7.5 a; 7.6 a	196.7	0.8%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	Y	0.6%	E	
Professional services related to energy performance of buildings (Endesa X - Distributed Energy).	CCM 9.3	18.1	0.1%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	Y	0.0%	E	

Financial year 2023	2023		Substantial contribution criteria							DNSH Criteria ("Does Not Significantly Harm")							Category					
Taxonomy Code	Absolute Turnover "revenue" 2023	Proportion of Turnover "revenue" 2023	Climate Change Mitigation (CCM)	Climate Change Adaptation (CCA)	Water and marine resources (WTR)	Circular Economy (CE)	Pollution (PPC)	Biodiversity and ecosystems (BIO)	Climate Change Mitigation (CCM)	Climate Change Adaptation (CCA)	Water and marine resources (WTR)	Circular Economy (CE)	Pollution (PPC)	Biodiversity and ecosystems (BIO)	Minimum Safeguards	Proportion of Taxonomy-aligned (A.1) or -eligible (A.2) turnover "revenue", 2022	Category enabling activity	Category transitional activity				
	millions of euro	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T					
<b>Economic Activities</b>																						
A.1. ENVIRONMENTALLY SUSTAINABLE ACTIVITIES (TAXONOMY-ALIGNED)	Installation, maintenance and repair of energy efficiency equipment (73). Installation, maintenance and repair of renewable energy technologies (76). (Endesa X - Distributed Energy).	CCM 73 d, e; 76 a	71.4	0.3%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	Y	0.3%	E		
	"Installation, maintenance and repair of renewable energy technologies (Endesa X - Electricity Storage).	CCM 76 f	0.0	0.0%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	Y	0.0%	E		
	Infrastructure for personal mobility (6.13). Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings) (74). (e - Mobility).	CCM 6.13; 74	-4.6	0.0%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	Y	0.0%	E		
	<b>Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1).</b>		<b>3,978.9</b>	<b>15.6%</b>	<b>15.6%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>Y</b>	<b>Y</b>	<b>Y</b>	<b>Y</b>	<b>Y</b>	<b>Y</b>	<b>Y</b>	<b>Y</b>	<b>10.9%</b>		
	<b>Of which enabling.</b>			<b>10.9%</b>	<b>10.9%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>Y</b>	<b>Y</b>	<b>Y</b>	<b>Y</b>	<b>Y</b>	<b>Y</b>	<b>Y</b>	<b>Y</b>	<b>8.1%</b>	<b>E</b>	
<b>Of which transitional.</b>			<b>0.0%</b>	<b>0%</b>															<b>0%</b>		<b>T</b>	
			<b>%</b>	<b>EL; N/EL</b>	<b>EL; N/EL</b>	<b>EL; N/EL</b>	<b>EL; N/EL</b>	<b>EL; N/EL</b>	<b>EL; N/EL</b>													
<b>A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities).</b>																						
A.2. TAXONOMY-ELIGIBLE BUT NOT ENVIRONMENTALLY SUSTAINABLE ACTIVITIES (NOT TAXONOMY-ALIGNED ACTIVITIES)	Electricity generation from hydropower.	CCM 4.5	6.1	0.0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL									0.0%			
	Transmission and distribution of electricity (new connections to plants with threshold >100 gCO <sub>2</sub> e/kWh).	CCM 4.9	0.0	0.0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL										0.0%		
	Electricity generation from fossil gaseous fuels (CCGT).	CCM 4.29	1,289.4	5.1%	EL	N/EL	N/EL	N/EL	N/EL	N/EL										19.7%		
	Sale of spare parts.	CE 5.2	0.0	0.0%	N/EL	N/EL	N/EL	EL <sup>(2)</sup>	N/EL	N/EL										0.0%		
	Conservation, including restoration, of habitats, ecosystems and species.	BIO 1.1	0.0	0.0%	N/EL	N/EL	N/EL	N/EL	N/EL	EL <sup>(2)</sup>										0.0%		
<b>Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2).</b>		<b>1,295.5</b>	<b>5.1%</b>	<b>5.1%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>									<b>19.7%</b>			
<b>A. Turnover of Taxonomy-eligible activities (A.1+A.2).</b>		<b>5,274.5</b>	<b>20.7%</b>	<b>20.7%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>									<b>30.6%</b>			

Financial year 2023	2023	Substantial contribution criteria								DNSH Criteria ("Does Not Significantly Harm")								Category	
Taxonomy Code	Absolute Turnover "revenue" 2023	Proportion of Turnover "revenue" 2023	Climate Change Mitigation (CCM)	Climate Change Adaptation (CCA)	Water and marine resources (WTR)	Circular Economy (CE)	Pollution (PPC)	Biodiversity and ecosystems (BIO)	Climate Change Mitigation (CCM)	Climate Change Adaptation (CCA)	Water and marine resources (WTR)	Circular Economy (CE)	Pollution (PPC)	Biodiversity and ecosystems (BIO)	Minimum Safeguards	Proportion of Taxonomy-aligned (A.1) or -eligible (A.2) turnover "revenue", 2022	Category enabling activity	Category transitional activity	
Economic Activities	millions of euro	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T	

**B. TAXONOMY-NON-ELIGIBLE ACTIVITIES.**

Electricity generation from coal	n.a	153.7	0.6%															
Electricity generation from nuclear	n.a	1,455.4	5.7%															
Electricity generation from Oil&Gas (OCGT) <sup>1</sup>	n.a	2,833.0	11.1%															
Endesa X (only activities non eligible)	n.a	69.5	0.3%															
Trading activities (Energy sales - wholesale)	n.a	5,607.0	22.0%															
Market I Gas Sales - end customer	n.a	4,570.4	18.0%															
Market I Power Sales - end customer	n.a	13,839.1	54.4%															
Services, Holding & Others	n.a	500.9	2.0%															
Eliminations/omissions and adjustments	n.a	-9,944.8	-34.7%															
<b>Turnover of Taxonomy- non-eligible activities.</b>		<b>20,184.4</b>	<b>79.3%</b>															
<b>Total IA + BI.</b>		<b>25,458.9</b>	<b>100%</b>															

<sup>1</sup> No revenues figures were considered eligible for climate adaptation objective as Endesa does not provide adaptation solutions in accordance with article 11.b of EU Taxonomy Regulation.  
<sup>2</sup> The analysis of the alignment of this activity was not performed for the purpose of the 2023 Sustainability Report and will be disclosed next year in coherence with the timeline established in the Environmental Delegated Act.  
<sup>3</sup> Electricity generation from fuel-oil and OCGT: it refers to thermal power plants that use fuel-oil and/or gas (OCGT), for which a breakdown by technology is not available.

	Proportion of Turnover / Total turnover	
	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	15.6%	20.7%
CCA	0.0%	0.0%
WTR	0.0%	0.0%
CE	0.0%	0.0%
PPC	0.0%	0.0%
BIO	0.0%	0.0%

**Background Information on the Turnover KPI**

- 15.6% of turnover in 2023 relates to business activities aligned with the EU Taxonomy Regulation, compared to 10.9% in 2022.
- This increase in 2023 is due to a reduction in the turnover of eligible-not aligned activities (combined cycle power plants) and not eligible activities (gas and power sales to end customers), which increases the weight of aligned activities.

➤ The percentage of eligible turnover has decreased from 30.6% in 2022 to 20.7% in 2023, due to a reduction in the turnover of electricity generation from fossil gaseous fuels (eligible-not aligned activity). This reduction is due to several factors, including the variation in the price of energy and the increase of the demand of renewable generation.

## Breakdown of Fixed Operating Expenditures (OpEx)

### KPI OpEx BREAKDOWN

Proportion of OpEx from products or services associated with Taxonomy-aligned economic activities – disclosure covering year 2023

Financial year 2023	2023		Substantial contribution criteria							DNSH Criteria ("Does Not Significantly Harm")							Category		
	Taxonomy Code	Absolute OpEx 2023	Proportion of OpEx 2023	Climate Change Mitigation (CCM)	Climate Change Adaptation (CCA)	Water and marine resources (WTR)	Circular Economy (CE)	Pollution (PPC)	Biodiversity and ecosystems (BIO)	Climate Change Mitigation (CCM)	Climate Change Adaptation (CCA)	Water and marine resources (WTR)	Circular Economy (CE)	Pollution (PPC)	Biodiversity and ecosystems (BIO)	Minimum safeguards	Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) OpEx 2023	Category enabling activity	Category transitional activity
Economic Activities	millions of euro	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	%	E	T	
<b>A. TAXONOMY-ELIGIBLE ACTIVITIES.</b>																			
<b>A.1. Environmentally sustainable activities (Taxonomy-aligned).</b>																			
Electricity generation from wind power.	CCM 4.3/ CCA 4.3	16.1	4.6%	Y	Y	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	Y	3.7%	
Electricity generation using solar photovoltaic technology.	CCM 4.1/ CCA 4.1	12.7	3.6%	Y	Y	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	Y	2.2%	
Electricity generation from hydropower.	CCM 4.5/ CCA 4.5	26.2	7.5%	Y	Y	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	Y	6.0%	
Storage of electricity	CCM 4.10 / CCA 4.10	0.0	0.0%	Y	Y	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	Y	0.0%	E
Transmission and distribution of electricity.	CCM 4.9/ CCA 4.9	105.4	30.1%	Y	Y	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	Y	28.6%	E
Installation, maintenance and repair of energy efficiency equipment (Endesa X - Smart Lighting).	CCM 7.3 d/ CCA 7.3 d	0.0	0.0%	Y	Y	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	Y	0.0%	E
Urban and suburban transport, road passenger transport (Endesa X - e-Bus).	CCM 6.3 a/ CCA 6.3 a	0.0	0.0%	Y	Y	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	Y	0.0%	
Installation, maintenance and repair of energy efficiency equipment (Endesa X - Energy Efficiency).	CCM 7.3 a-e/ CCA 7.3 a-e	0.0	0.0%	Y	Y	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	Y	0.0%	E
Installation, maintenance and repair of energy efficiency equipment (7.3). Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings (7.5). Installation, maintenance and repair of renewable energy technologies (7.6). (Endesa X - Home).	CCM 7.3 a-e; 7.5 a; 7.6 a/ CCA 7.3 a-e; 7.5 a; 7.6 a	0.3	0.1%	Y	Y	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	Y	0.1%	E
Professional services related to energy performance of buildings (Endesa X - Distributed Energy).	CCM 9.3	0.0	0.0%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	Y	0.0%	E

Financial year 2023	2023		Substantial contribution criteria						DNSH Criteria ("Does Not Significantly Harm")						Category			
	Taxonomy Code	Absolute OpEx 2023	Proportion of OpEx 2023	Climate Change Mitigation (CCM)	Climate Change Adaptation (CCA)	Water and marine resources (WTR)	Circular Economy (CE)	Pollution (PPC)	Biodiversity and ecosystems (BIO)	Climate Change Mitigation (CCM)	Climate Change Adaptation (CCA)	Water and marine resources (WTR)	Circular Economy (CE)	Pollution (PPC)	Biodiversity and ecosystems (BIO)	Minimum Safeguards	Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) OpEx 2023	Category enabling activity
Economic Activities	millions of euro	%	Y: N/ N/EL	Y: N/ N/EL	Y: N/ N/EL	Y: N/ N/EL	Y: N/ N/EL	Y: N/ N/EL	Y: N/ N/EL	Y/ N/ Y/ N	Y/ N/ Y/ N	Y/ N/ Y/ N	Y/ N/ Y/ N	Y/ N/ Y/ N	Y/ N/ Y/ N	%	E	T
Installation, maintenance and repair of energy efficiency equipment (7.3).	CCM 73 d, e, 76 a/ CCA 73 d, e, 76 a	0.1	0.0%	Y	Y	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	0.0%	E	
Installation, maintenance and repair of renewable energy technologies (7.6).	CCM 78 f/ CCA 78 f	0.0	0.0%	Y	Y	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	0.0%	E	
Infrastructure for personal mobility (6.13).	CCM 6.13/ 74/ CCA 6.13/ 74	0.2	0.1%	Y	Y	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	0.6%	E	
Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings) (7.4). (e - Mobility).	CCM 6.13/ 74/ CCA 6.13/ 74	0.2	0.1%	Y	Y	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	0.6%	E	
<b>OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1).</b>		<b>161.1</b>	<b>46.0%</b>	<b>46.0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>Y</b>	<b>Y</b>	<b>Y</b>	<b>Y</b>	<b>Y</b>	<b>Y</b>	<b>41.2%</b>		
<b>Of which enabling.</b>			30.3%	30.3%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	29.3%	E	
<b>Of which transitional.</b>			0%	0%												0%		T
			%	EL: N/EL	EL: N/EL	EL: N/EL	EL: N/EL	EL: N/EL	EL: N/EL									
<b>A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities).</b>																		
Electricity generation from hydropower.	CCM 4.5/ CCA 4.5	0.4	0.1%	EL	EL	N/EL	N/EL	N/EL	N/EL							0.1%		
Transmission and distribution of electricity (new connections to plants with threshold > 100 gCO <sub>2</sub> eq/kWh).	CCM 4.9/ CCA 4.9	0.0	0.0%	EL	EL	N/EL	N/EL	N/EL	N/EL							0.0%		
Electricity generation from fossil gaseous fuels (CCGT)	CCM 4.29/ CCA 4.29	279	8.0%	EL	EL	N/EL	N/EL	N/EL	N/EL							18.1%		
Sale of spare parts.	CE 5.2	0.0	0.0%	N/EL	N/EL	N/EL	EL <sup>2)</sup>	N/EL	N/EL							0.0%		
Conservation, including restoration, of habitats, ecosystems and species.	BIO 1.1	0.0	0.0%	N/EL	N/EL	N/EL	N/EL	N/EL	EL <sup>2)</sup>							0.0%		
<b>OpEx of Taxonomy- eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2).</b>		<b>28.3</b>	<b>8.1%</b>	<b>8.1%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>							<b>18.2%</b>		
<b>A. OpEx of Taxonomy-eligible activities (A.1+A.2).</b>		<b>189.4</b>	<b>54.1%</b>	<b>54.1%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>							<b>59.5%</b>		

Financial year 2023	2023		Substantial contribution criteria						DNSH Criteria ("Does Not Significantly Harm")						Category			
Taxonomy Code	Absolute OpEx 2023	Proportion of OpEx 2023	Climate Change Mitigation (CCM)	Climate Change Adaptation (CCA)	Water and marine resources (WTR)	Circular Economy (CE)	Pollution (PPC)	Biodiversity and ecosystems (BIO)	Climate Change Mitigation (CCM)	Climate Change Adaptation (CCA)	Water and marine resources (WTR)	Circular Economy (CE)	Pollution (PPC)	Biodiversity and ecosystems (BIO)	Minimum Safeguards	Proportion of Taxonomy-aligned (A.1./or -eligible) (A.2.) OpEx 2022	Category enabling activity	Category transitional activity
Economic Activities	millions of euro	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	F	T
<b>B. TAXONOMY-NON-ELIGIBLE ACTIVITIES.</b>																		
Electricity generation from coal.	n.a.	2.8	0.8%															
Electricity generation from nuclear	n.a.	79.7	22.6%															
Electricity generation from Oil&Gas (OCGT) <sup>12</sup>	n.a.	63.7	18.2%															
Endesa X (only activities non eligible)	n.a.	0.4	0.1%															
Trading activities (Energy sales - wholesale)	n.a.	2.8	0.8%															
Market (Gas Sales - end customer)	n.a.	0.2	0.0%															
Market (Power Sales - end customer)	n.a.	0.5	0.2%															
Services, Holding & Others	n.a.	10.3	3.0%															
Eliminations and adjustments	n.a.	0.1	0.0%															
<b>OpEx of Taxonomy- non-eligible activities.</b>		<b>160.6</b>	<b>45.9%</b>															
<b>Total (A + B).</b>		<b>350.0</b>	<b>100.0%</b>															

<sup>12</sup> No OpEx figures that may correspond to adaptation solutions - in accordance with article with Article 11 (1)(a) of EU Taxonomy Regulation - in business activities that already contribute to climate mitigation have been allocated to climate adaptation objective, thus avoiding any potential double counting with the figures provided on climate mitigation objective.

<sup>13</sup> The analysis of the alignment of this activity was not performed for the purpose of the 2023 Sustainability Report and will be disclosed next year in coherence with the timeline established in the Environmental Delegated Act.

<sup>14</sup> Electricity generation from fuel-oil and OCGT it refers to thermal power plants that use fuel-oil and/or gas (OCGT), for which a breakdown by technology is not available.

	Proportion of OpEx / Total OpEx	
	Taxonomy-aligned per objective	Taxonomy-aligned per objective
CCM	46.0%	54.1%
CCA	0.0%	54.1%
WTR	0.0%	0.0%
CE	0.0%	0.0%
PPC	0.0%	0.0%
BIO	0.0%	0.0%

## Background Information on the OpEx KPI

➤ 46.0% of operating expenses (**OpEx**) in 2023 relates to business activities aligned with the EU Taxonomy Regulation, compared to 41.2% in 2022.

➤ The percentage of OpEx of taxonomy eligible and aligned activities increases in 2023 compared to 2022, primarily due to higher maintenance costs incurred in renewable energy production and taxonomy-aligned distribution activities.

## Breakdown of the of EBITDA<sup>63</sup> KPI

### KPI EBITDA BREAKDOWN

Proportion of EBITDA from products or services associated with Taxonomy-aligned economic activities – disclosure covering year 2023

Financial year 2023	2023		Substantial contribution criteria							DNSH Criteria ("Does Not Significantly Harm")							Category			
	Taxonomy Code	Absolute Ordinary gross operating profit EBITDA) 2023	Proportion of Ordinary gross operating profit EBITDA) 2023	Climate Change Mitigation (CCM)	Climate Change Adaptation (CCA)	Water and marine resources (WTR)	Circular Economy (CE)	Pollution (PPC)	Biodiversity and ecosystems (BIO)	Climate Change Mitigation (CCM)	Climate Change Adaptation (CCA)	Water and marine resources (WTR)	Circular Economy (CE)	Pollution (PPC)	Biodiversity and ecosystems (BIO)	Minimum Safeguards	Proportion of Taxonomy-aligned (A.1.) or-eligible (A.2.) Ordinary gross operating profit (EBITDA) 2022	Category enabling activity	Category transitional activity	
Economic Activities	millions of euro	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	%	E	T		
<b>A. TAXONOMY-ELIGIBLE ACTIVITIES.</b>																				
<b>A.1. Environmentally sustainable activities (Taxonomy-aligned).</b>																				
Electricity generation from wind power.	CCM 4.3	513.7	13.6%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	Y	Y	11.2%	
Electricity generation using solar photovoltaic technology.	CCM 4.1	185.8	4.9%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	Y	Y	1.3%	
Electricity generation from hydropower.	CCM 4.5	119.4	3.2%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	Y	Y	-1.1%	
Storage of electricity	CCM 4.10	0.0	0.0%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	Y	Y	0.0%	E
Transmission and distribution of electricity.	CCM 4.9	1,737.0	46.0%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	Y	Y	30.6%	E
Installation, maintenance and repair of energy efficiency equipment (Endesa X - Smart Lighting).	CCM 7.3 d	3.9	0.1%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	Y	Y	0.0%	E
Urban and suburban transport, road passenger transport (Endesa X - e-Bus).	CCM 6.3 a	0.1	0.0%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	Y	Y	0.0%	
Installation, maintenance and repair of energy efficiency equipment (Endesa X - Energy Efficiency).	CCM 7.3 a-e	-1.0	0.0%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	Y	Y	0.0%	E
Installation, maintenance and repair of energy efficiency equipment (7.3). Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings (7.5). Installation, maintenance and repair of renewable energy technologies (7.6). (Endesa X - Home).	CCM 7.3 a-e; 7.5 a; 7.6 a	72.7	1.9%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	Y	Y	1.6%	E
Professional services related to energy performance of buildings (Endesa X - Distributed Energy).	CCM 9.3	78	0.2%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	Y	Y	0.1%	E

<sup>63</sup> See Section 7: Alternative Performance Measures (APMs) in the Consolidated Management Report 2023.



Financial year 2023		2023		Substantial contribution criteria							DNSH Criteria ("Does Not Significantly Harm")							Category	
Taxonomy Code	Absolute Ordinary gross operating profit (EBITDA) 2023	Proportion of Ordinary gross operating profit (EBITDA) 2023	Climate Change Mitigation (CCM)	Climate Change Adaptation (CCA)	Water and marine resources (WTR)	Circular Economy (CE)	Pollution (PPC)	Biodiversity and ecosystems (BIO)	Climate Change Mitigation (CCM)	Climate Change Adaptation (CCA)	Water and marine resources (WTR)	Circular Economy (CE)	Pollution (PPC)	Biodiversity and ecosystems (BIO)	Minimum Safeguards	Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) Ordinary gross operating profit (EBITDA) 2022	Category enabling activity	Category transitional activity	
	millions of euro	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	%	E	T	
<b>Economic Activities</b>																			
Installation, maintenance and repair of energy efficiency equipment (7.3).	CCM 7.3 d, e, 7.6 a	3.9	0.1%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	0.1%	E		
Installation, maintenance and repair of renewable energy technologies (7.6). (Endesa X - Distributed Energy).	CCM 7.6 f	0.0	0.0%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	0.0%	E		
Infrastructure for personal mobility (6.13). Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings) (7.4). (e - Mobility).	CCM 6.13, 7.4	-4.6	-0.1%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	4.1%	E		
<b>EBITDA of environmentally sustainable activities (Taxonomy-aligned) (A.1).</b>	<b>2,638.5</b>	<b>69.9%</b>	<b>69.9%</b>	<b>0%<sup>(1)</sup></b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>Y</b>	<b>Y</b>	<b>Y</b>	<b>Y</b>	<b>Y</b>	<b>Y</b>	<b>47.9%</b>			
<b>Of which enabling.</b>		<b>48.2%</b>	<b>48.2%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>Y</b>	<b>Y</b>	<b>Y</b>	<b>Y</b>	<b>Y</b>	<b>Y</b>	<b>36.6%</b>	<b>E</b>		
<b>Of which transitional.</b>		<b>0%</b>	<b>0%</b>													<b>0%</b>		<b>T</b>	
<b>A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities).</b>																			
Electricity generation from hydropower.	CCM 4.5	1.6	0.0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL							0.0%			
Transmission and distribution of electricity (new connections to plants with threshold > 100 gCO <sub>2</sub> eq/kWh).	CCM 4.9	0.0	0.0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL							0.0%			
Electricity generation from fossil gaseous fuels (CCGT)	CCM 4.29	257.7	6.8%	EL	N/EL	N/EL	N/EL	N/EL	N/EL							11.7%			
Sale of spare parts.	CE 5.2	0.0	0.0%	N/EL	N/EL	N/EL	EL <sup>(2)</sup>	N/EL	N/EL							0.0%			
Conservation, including restoration, of habitats, ecosystems and species.	BIO 1.1	0.0	0.0%	N/EL	N/EL	N/EL	N/EL	N/EL	EL <sup>(2)</sup>							0.0%			
<b>EBITDA of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2).</b>	<b>259.3</b>	<b>6.9%</b>	<b>6.9%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>							<b>11.7%</b>			
<b>A. EBITDA of Taxonomy-eligible activities (A.1+A.2).</b>	<b>2,897.8</b>	<b>76.7%</b>	<b>76.7%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>							<b>59.6%</b>			

Financial year 2023	2023	Substantial contribution criteria							DNSH Criteria ("Does Not Significantly Harm")							Category				
		Taxonomy Code	Absolute Ordinary gross operating profit (EBITDA) 2023	Preparation of Ordinary gross operating profit (EBITDA) 2023	Climate Change Mitigation (CCM)	Climate Change Adaptation (CCA)	Water and marine resources (WTR)	Circular Economy (CE)	Pollution (PPC)	Biodiversity and ecosystems (BIO)	Climate Change Mitigation (CCM)	Climate Change Adaptation (CCA)	Water and marine resources (WTR)	Circular Economy (CE)	Pollution (PPC)	Biodiversity and ecosystems (BIO)	Minimum Safeguards	Proportion of Taxonomy-eligible (A.1.) or -eligible (A.2.) Ordinary gross operating profit (EBITDA) 2022	Category enabling activity	Category transitional activity
Economic Activities	millions of euro	%	Y: N; N/EL	Y: N; N/EL	Y: N; N/EL	Y: N; N/EL	Y: N; N/EL	Y: N; N/EL	Y: N; N/EL	Y: N; N/EL	Y: N; N/EL	Y: N; N/EL	Y: N; N/EL	Y: N; N/EL	Y: N; N/EL	Y: N; N/EL	Y: N; N/EL	%	E	T

B. TAXONOMY-NON-ELIGIBLE ACTIVITIES.																				
Electricity generation from coal.	n.a	129.8	3.4%																	
Electricity generation from nuclear	n.a	610.6	13.5%																	
Electricity generation from Oil&Gas (OCGT) <sup>(1)</sup>	n.a	244.2	6.5%																	
Endesa X (only activities non eligible).	n.a	-21.2	-0.6%																	
Trading activities (Energy sales - wholesale).	n.a	-324.2	-8.6%																	
Market (Gas Sales - end customer)	n.a	160.6	4.2%																	
Market (Power Sales - end customer).	n.a	439.9	11.6%																	
Services, Holding & Others	n.a	-238.1	-6.3%																	
Eliminations and adjustments.	n.a	-21.7	-0.8%																	
<b>EBITDA of Taxonomy-non-eligible activities.</b>		<b>878.8</b>	<b>23.3%</b>																	
<b>Total (A + B).</b>		<b>3,776.6</b>	<b>100.0%</b>																	

<sup>(1)</sup> No EBITDA figures were considered eligible for climate adaptation objective as Endesa does not provide adaptation solutions in accordance with article 11.b of EU Taxonomy Regulation.

<sup>(2)</sup> The analysis of the alignment of this activity was not performed for the purpose of the 2023 Sustainability Report and will be disclosed next year in coherence with the timeline established in the Environmental Delegated Act.

<sup>(3)</sup> Electricity generation from fuel-oil and OCGT: it refers to thermal power plants that use fuel-oil and/or gas (OCGT), for which a breakdown by technology is not available.

	Proportion of EBITDA <sup>1</sup> / Total EBITDA	
	Taxonomy-aligned per objective	Taxonomy-aligned per objective
CCM	69.9%	76.7%
CCA	0.0%	0.0%
WTR	0.0%	0.0%
CE	0.0%	0.0%
PPC	0.0%	0.0%

<sup>1</sup>See section 7: Alternative Performance Measures (APMs) of the Consolidated Management Report 2023.

## Background Information on the EBITDA KPI

➤ 69.9% of the ordinary gross operating profit (EBITDA) in 2023 relates to business activities aligned with the EU Taxonomy Regulation, compared to 47.9% in 2022.

➤ This increase in 2023 is due to a reduction in the EBITDA of eligible-not aligned activities (combined cycle power plants) and not eligible activities (trading), which increases the weight of aligned activities.

## Breakdown of Investment KPI (CapEx)

### KPI CapEx BREAKDOWN

Proportion of CapEx from products or services associated with Taxonomy-aligned economic activities – disclosure covering year 2023

Financial year 2023	2023	Substantial contribution criteria								DNSH Criteria ("Does Not Significantly Harm")								Category	
		Taxonomy Code	Absolute CapEx "Capital expenditure" 2023	Proportion of CapEx "Capital expenditure" 2023	Climate Change Mitigation (CCM)	Climate Change Adaptation (CCA)	Water and marine resources (WTR)	Circular Economy (CE)	Pollution (PPC)	Biodiversity and ecosystems (BIO)	Climate Change Mitigation (CCM)	Climate Change Adaptation (CCA)	Water and marine resources (WTR)	Circular Economy (CE)	Pollution (PPC)	Biodiversity and ecosystems (BIO)	Minimum Safeguards	Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) CapEx "Capital expenditure" 2023	Category enabling activity
Economic Activities	millions of euro	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
<b>A. TAXONOMY-ELIGIBLE ACTIVITIES.</b>																			
<b>A.1. Environmentally sustainable activities (Taxonomy-aligned).</b>																			
Electricity generation from wind power.	CCM 4.3/ CCA 4.3	71.2	2.9%	Y	Y	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	9.2%		
Electricity generation using solar photovoltaic technology.	CCM 4.1/ CCA 4.1	605.2	24.6%	Y	Y	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	22.1%		
Electricity generation from hydropower.	CCM 4.5/ CCA 4.5	88.5	3.6%	Y	Y	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	3.1%		
Storage of electricity.	CCM 4.10/ CCA 4.10	1.24	0.1%	Y	Y	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0.6%	E	
Transmission and distribution of electricity.	CCM 4.9/ CCA 4.9	885.1	35.9%	Y	Y	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	37.6%	E	
Installation, maintenance and repair of energy efficiency equipment (Endesa X - Smart Lighting).	CCM 7.3 d/ CCA 7.3 d	4.9	0.2%	Y	Y	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0.0%	E	
Urban and suburban transport, road passenger transport (Endesa X - e-Bus).	CCM 6.3 a/ CCA 6.3 a	0.0	0.0%	Y	Y	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0.0%		
Installation, maintenance and repair of energy efficiency equipment (Endesa X - Energy Efficiency).	CCM 7.3 a-e/ CCA 7.3 a-e	5.7	0.2%	Y	Y	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0.0%	E	
Installation, maintenance and repair of energy efficiency equipment (7.3). Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings (7.5). Installation, maintenance and repair of renewable energy technologies (7.6) (Endesa X - Home).	CCM 7.3 a-e; 7.5 a; 7.6 a/ CCA 7.3 a-e; 7.5 a; 7.6 a	36.1	1.5%	Y	Y	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	1.6%	E	
Professional services related to energy performance of buildings (Endesa X - Distributed Energy).	CCM 9.3	0.8	0.0%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0.0%	E	

Financial year 2023		2023		Substantial contribution criteria								DNSH Criteria ("Does Not Significantly Harm")								Category	
Taxonomy Code	Absolute CapEx "Capital expenditure" 2023	Proportion of CapEx "Capital expenditure" 2023	Climate Change Mitigation (CCM)	Climate Change Adaptation (CCA)	Water and marine resources (WTR)	Circular Economy (CE)	Pollution (PPC)	Biodiversity and ecosystems (BIO)	Climate Change Mitigation (CCM)	Climate Change Adaptation (CCA)	Water and marine resources (WTR)	Circular Economy (CE)	Pollution (PPC)	Biodiversity and ecosystems (BIO)	Minimum Safeguards	Proportion of Taxonomy-aligned (A.1) or-eligible (A.2) CapEx "Capital expenditure" 2023	Category enabling activity	Category transitional activity			
	millions of euro	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T			
A.1. ENVIRONMENTALLY SUSTAINABLE ACTIVITIES (TAXONOMY-ALIGNED)	Installation, maintenance and repair of energy efficiency equipment (7.3).	CCM 7.3 d, e; 76 a/CCA	0.6	0.0%	Y	Y	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0.0%	E		
	Installation, maintenance and repair of renewable energy technologies (76). (Endesa X - Distributed Energy).	CCM 7.3 d, e; 76 a			Y	Y	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0.0%	E		
	Installation, maintenance and repair of renewable energy technologies (Endesa X - Battery Energy Storage).	CCM 76 f/CCA	0.4	0.0%	Y	Y	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0.0%	E		
	Infrastructure for personal mobility (6.13).	CCM 6.13; 74/CCA	29.9	1.2%	Y	Y	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	1.3%	E		
	Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings) (74). (e - Mobility).	CCM 6.13; 74			Y	Y	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0.9%			
	Additions to right-of-use assets (IFRS 16 par. 53 point h).	n.a	136.3	5.5%	Y	Y	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0.9%			
<b>CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1).</b>		<b>1,865.9</b>	<b>75.8%</b>	<b>75.8%</b>	<b>0%</b> <sup>1)</sup>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>Y</b>	<b>Y</b>	<b>Y</b>	<b>Y</b>	<b>Y</b>	<b>Y</b>	<b>Y</b>	<b>Y</b>	<b>76.4%</b>			
<b>Of which enabling.</b>			39.2%	39.2%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	Y	41.1%	E		
<b>Of which transitional.</b>			0%	0%														0%		T	

A.2. TAXONOMY-ELIGIBLE BUT NOT ENVIRONMENTALLY SUSTAINABLE ACTIVITIES (NOT TAXONOMY-ALIGNED ACTIVITIES)				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL								
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities).				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL								
Electricity generation from hydropower.	CCM 4.5/CCA 4.5	1.2	0.0%	EL	EL	N/EL	N/EL	N/EL	N/EL								
Transmission and distribution of electricity (new connections to plants with threshold > 100 gCO <sub>2</sub> eq/kWh).	CCM 4.9/CCA 4.9	0.1	0.0%	EL	EL	N/EL	N/EL	N/EL	N/EL								
Electricity generation from fossil gaseous fuels (CCGT).	CCM 4.29/CCA 4.29	49.6	2.0%	EL	EL	N/EL	N/EL	N/EL	N/EL								
Additions to right-of-use assets (IFRS 16 par. 53 point h).	n.a	1.4	0.1%	EL	EL	N/EL	N/EL	N/EL	N/EL								
Sale of spare parts.	CE 5.2	0.0	0.0%	N/EL	N/EL	N/EL	EL <sup>2)</sup>	N/EL	N/EL								
Conservation, including restoration, of habitats, ecosystems and species.	BIO 1.1	0.0	0.0%	N/EL	N/EL	N/EL	N/EL	N/EL	EL <sup>2)</sup>								
<b>CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2).</b>		<b>52.3</b>	<b>2.1%</b>	<b>2.1%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>								
<b>A. CapEx of Taxonomy-eligible activities (A.1+A.2).</b>		<b>1,918.2</b>	<b>77.9%</b>	<b>77.9%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>								

Financial year 2023	2023		Substantial contribution criteria							DNSH Criteria ("Does Not Significantly Harm")							Category	
Taxonomy Code	Absolute CapEx "Capital expenditure" 2023	Proportion of CapEx "Capital expenditure" 2023	Climate Change Mitigation (CCM)	Climate Change Adaptation (CCA)	Water and marine resources (WTR)	Circular Economy (CE)	Pollution (PPC)	Biodiversity and ecosystems (BIO)	Climate Change Mitigation (CCM)	Climate Change Adaptation (CCA)	Water and marine resources (WTR)	Circular Economy (CE)	Pollution (PPC)	Biodiversity and ecosystems (BIO)	Minimum Safeguards	Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) CapEx "Capital expenditure" 2022	Category enabling activity	Category transitional activity
Economic Activities	millions of euro	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T	
<b>B. TAXONOMY-NON-ELIGIBLE ACTIVITIES.</b>																		
Electricity generation from coal	n.a	0.5	0.0%															
Electricity generation from nuclear	n.a	170.6	6.9%															
Electricity generation from Oil&Gas (OCGT) <sup>121</sup>	n.a	56.9	2.3%															
Endless X (only activities non eligible).	n.a	2.6	0.1%															
Trading activities (Energy sales - wholesale).	n.a	20.3	0.8%															
Market (Gas Sales - end customer).	n.a	84.1	1.4%															
Market (Power Sales - end customer).	n.a	196.0	8.0%															
Services, Holding & Others.	n.a	20.9	0.8%															
Elisions and adjustments.	n.a	33.2	1.3%															
Additions to right-of-use assets (IFRS 16 par. 53 point b)	n.a	9.7	0.4%															
<b>CapEx of Taxonomy-non-eligible activities.</b>	<b>544.9</b>	<b>22.1%</b>																
<b>Total IA + BI.</b>	<b>2,463.1</b>	<b>100%</b>																

<sup>121</sup> No CapEx figures that may correspond to adaptation solutions - in accordance with article with Article 11 (1)(a) of EU Taxonomy Regulation - in business activities that already contribute to climate mitigation have been allocated to climate adaptation objective, thus avoiding any potential double counting with the figures provided on climate mitigation objective.

<sup>122</sup> The analysis of the alignment of this activity was not performed for the purpose of the 2023 Sustainability Report and will be disclosed next year in coherence with the timeline established in the Environmental Delegated Act.

<sup>123</sup> Electricity generation from fuel-oil and OCGT: it refers to thermal power plants that use fuel-oil and/or gas (OCGT), for which a breakdown by technology is not available.

	Proportion of CapEx / Total CapEx	
	Taxonomy-aligned per objective	Taxonomy-aligned per objective
CCM	75.8%	77.9%
CCA	0.0%	77.8%
WTR	0.0%	0.0%
CE	0.0%	0.0%
PPC	0.0%	0.0%
BIO	0.0%	0.0%

### **Background Information on the CapEX KPI**

- 75.8% of capital expenditure (CapEx) in 2023 relates to business activities aligned with the EU Taxonomy Regulation, compared to 76.4% in 2022. The percentage of CapEx of taxonomy eligible and aligned activities slightly decreases in 2023 compared to 2022 due to lower investments from electricity generation from wind power.
- The actual 2023 CapEx for eligible-aligned activities is 4.8% lower than the CapEx planned for 2023 in the 2023-2025 Strategic Plan for the same activities, mainly due to lower investments in renewable aligned activities.

## Additional Information Requested by Appendix III to Delegated Regulation 2022/1214 on Electricity Generation Activities from Nuclear and Gaseous Fossil Fuels

### Template 1 Nuclear and fossil gas related activities

Row	NUCLEAR ENERGY RELATED ACTIVITIES	
1.	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO
2.	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	NO
3.	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	YES
	<b>FOSSIL GAS RELATED ACTIVITIES</b>	
4.	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	YES
5.	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	NO
6.	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	NO

As indicated in the table above, the only activities applicable for Endesa are the safe operation of existing nuclear installations and the generation of electricity from gaseous fossil fuels. The first is 100% non-eligible and the second 100% eligible non-aligned. Therefore, the data requested in templates 4 and 5 of the Complementary Delegated Act are included below, while the rest of the templates provided for in the Complementary Delegated Act are not applicable according to Endesa's business model. The information also refers to the climate change mitigation objective solely due to climate change mitigation objective is the prevalent objective for the company.

### Template 4. Taxonomy-eligible but not taxonomy-aligned economic activities

#### Breakdown of Turnover KPI

ECONOMIC ACTIVITIES	Climate change mitigation	
	Amount	%
Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	1,289.4	5.1%
Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	6.1	0.0%
<b>Total amount and proportion of taxonomy eligible but not taxonomy- aligned economic activities in the denominator of the applicable KPI</b>	<b>1,295.5</b>	<b>5.1%</b>

#### Breakdown of fixed operating expenditures (OpEx)

ECONOMIC ACTIVITIES	Climate change mitigation	
	Amount	%
Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	27.9	8.0%
Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	0.4	0.1%
<b>Total amount and proportion of taxonomy eligible but not taxonomy- aligned economic activities in the denominator of the applicable KPI</b>	<b>28.3</b>	<b>8.1%</b>

## Breakdown of EBITDA<sup>64</sup> KPIs

ECONOMIC ACTIVITIES	Climate change mitigation	
	Amount	%
Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	257.7	6.8%
<b>Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI</b>	1.6	0.0%
<b>Total amount and proportion of taxonomy eligible but not taxonomy- aligned economic activities in the denominator of the applicable KPI</b>	259.3	6.9%

## Breakdown of investment KPIs (CapEx)

ECONOMIC ACTIVITIES	Climate change mitigation	
	Amount	%
Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	49.6	2.0%
<b>Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI</b>	2.7	0.1%
<b>Total amount and proportion of taxonomy eligible but not taxonomy- aligned economic activities in the denominator of the applicable KPI</b>	52.3	2.1%

## Template 5. Taxonomy non-eligible economic activities

### Breakdown of Turnover KPI

ECONOMIC ACTIVITIES	Climate change mitigation	
	Amount	%
Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	1,455.4	5.7%
<b>Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI</b>	18,729.0	73.6%
<b>Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI</b>	20,184.4	79.3%

### Breakdown of fixed operating expenditures (OpEx)

ECONOMIC ACTIVITIES	Climate change mitigation	
	Amount	%
Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	79.7	22.8%
<b>Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI</b>	80.8	23.1%
<b>Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI</b>	160.6	45.9%

<sup>64</sup> See Section 7: Alternative Performance Measures (APMs) in the Consolidated Management Report 2023.



## Breakdown of EBITDA<sup>65</sup> KPIs

ECONOMIC ACTIVITIES	Climate change mitigation	
	Amount	%
Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	510.6	13.5%
<b>Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI</b>	<b>368.2</b>	<b>9.7%</b>
<b>Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI</b>	<b>878.8</b>	<b>23.3%</b>

## Breakdown of investment KPIs (CAPEX)

ECONOMIC ACTIVITIES	Climate change mitigation	
	Amount	%
Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	170.8	6.9%
<b>Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI</b>	<b>374.1</b>	<b>15.2%</b>
<b>Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI</b>	<b>544.9</b>	<b>22.1%</b>

<sup>65</sup> See Section 7: Alternative Performance Measures (APMs) in the Consolidated Management Report 2023.

## ANNEX IX: Meeting ESP 2023 Objectives

Line of action		Target 2023	Result 2023
Zero emissions ambition	Specific scope 1 GHG emissions (gCO <sub>2</sub> eq/kWh)	<145 in 2025	193
	Specific scope 1&3 GHG emissions: Generation and purchases from third parties. (gCO <sub>2</sub> eq/kWh)	<140 in 2025	214
	Specific GHG emissions, Scope 3. Distribution of gas to end customer <sup>1</sup> (Mt CO <sub>2</sub> )	10.7 in 2025	8.1
	Peninsular CO <sub>2</sub> -free production (% production) <sup>2</sup>	~91 in 2025	80
	Installed renewable capacity <sup>3</sup> (MW)	13,600 in 2025 <sup>4</sup>	9,943
	Production from renewable sources <sup>5</sup> (TWh)	17.1	14.2
	Mainland renewable capacity vs total mainland capacity <sup>6</sup> (%)	59	58
	Installed fossil thermal capacity (gross) (GW)	-1 in the 2023-2025 period	8.56
	CapEx aligned with EU taxonomy (% eligible aligned)	>80% in the 2023-2025 period	77
	CapEx aligned with the SDGs (%)	90 in the 2023-2025 period	86
	Installation of storage capacity (increase in capacity in MW) <sup>7</sup>	>200 MW in the 2023-2025 period	1
	Maintain high efficiency in renewable power plants (%)	Wind: 94.2 Hydro: 98.6 Solar: 94.0	Wind: 97.6 Hydro: 99.2 Solar: 97.8
	ISO 9001 quality certification for thermal and renewable generation assets (%)	100	100
Investment in digitisation of power generation assets <sup>8</sup> (€M)	49 in period 2023-2025	21.57	

<sup>1</sup> The target does not include mergers and acquisitions

<sup>2</sup> Estimate considering total production measured in plant bars

<sup>3</sup> Cumulative Gross Installed Capacity

<sup>4</sup> Does not include hybridisation with batteries or H<sub>2</sub> projects

<sup>5</sup> Net production

<sup>6</sup> Net capacity. Linked to the publication in the Official State Gazette of the Resolution authorising Endesa Generación to carry out the closure of the As Pontes Thermal Power Plant

<sup>7</sup> Hybridisation of batteries with renewables

<sup>8</sup> Including thermal and renewable

Line of action		Target 2023	2023 result
Clean electrification	Reduction of electricity losses <sup>1</sup> (% losses measured in substation busbar)	9.95	9.98
	Energy recovery (GWh)	3,500 in the 2023-2025 period	1,073
	Improving continuity of supply (TIEPI <sup>2</sup> , min)	54.4	48.7
	Deployment of the remote management plan in the Low Voltage network (millions of remote meters installed)	13.3	12.6
	Installation of remote controls in the Medium Voltage network (accumulated)	44,000	37,468
	Number of new producer connections (number of new connections/year), in thousands	6.1	11.9
	Power of new producer connections (MW new connections/year)	3,700	3,443
	Investment in customer digitalisation (Millions of euros invested) <sup>4</sup>	280 in the 2023-2025 period	111.42
	Digital customers (% of customers)	43	45.1
	Promotion of e-invoicing (% digital invoices issued)	53.2	53.2
Digital sales (% of sales/acquisitions per year through digital channels)	33	31	

Line of action	Target 2023	2023 result
Automatic payments (% of direct debits)	89	91.2
Promotion of the virtual assistant in Care via CAT <sup>5</sup> (% of interactions attended by the Virtual Assistant)	14	15
Quality: Improvement of Overall Customer Satisfaction Index <sup>6</sup>	7.38	7.56
Number of electric vehicle charging stations (public and private use)	66,000 by 2025	19,252
Number of e-Bus charging stations	>600 by 2025	335
E-buses served	> 1,200 by 2025	559
Demand management (MW)	155	155
Lighting: Maintenance, improvements and replacement of lighting systems with LEDs or smart lighting systems (thousands of light points managed)	103.6	146.6

<sup>1</sup>OS criterion

<sup>2</sup>Own + programmed TIEPI + transport

<sup>3</sup>The project ends in 2024

<sup>4</sup>Includes Endesa Energía + Endesa X

<sup>5</sup>CAT: Call Centre

<sup>7</sup>Customers electric and gas ML B2C

Line of action	Target 2023	Result 2023
To increase the presence of women (% women in the workforce)	26.5	26.8
Increase the presence of women in positions of responsibility: <i>Manager</i> <sup>1</sup> and <i>middle manager</i> (CGI+NC0) (% women)	34.0	34.9
Increase the presence of women in positions of responsibility: <i>Manager</i> <sup>1</sup>	18.9	21.06
Increase the presence of women in positions of responsibility: <i>Middle manager</i> (CGI+NC0) (% women)	34.7	35.67
Increase the presence of women in positions of responsibility: <i>Middle manager</i> (CGI) (% women)	29.8	33.3
Empowering our people Increase the presence of women (% women in management positions with revenue-generating functions)	27.3	27.6
Promotion of gender diversity in selection processes (% women)	50	52.5
Promoting gender diversity in the recruitment process (% all women recruited)	38.5	37.2
Career guidance in STEM areas for women (women involved)	>5,000% in the 2023-2025 period	1,702
Presence of women in STEM positions (% of women)	18.5	20.6
Launch of specific campaigns to integrate disabled persons (number of specific communications)	3	3
Disability Action Plan. Valuable 500	Implementation	Completed

Line of action	Target 2023	2023 result
Incorporation of people with disabilities (number of people/year)	15	5
Raising awareness of LGBTBIQ+ issues (number of actions/year)	3	3
Promotion of employee training (hours/employee)	39.5	51.8
Training program for new hires (number of hours/employee)	31	78.8
Number of people included in knowledge transfer initiatives ( <i>mentoring</i> , age and gender)	175	312
Manager succession plan (% of women among people involved)	43.0	44.34
Promote the level of employee involvement and satisfaction (engagement) (% employees) <sup>2</sup>	Scope: 100 Participation: 75 Satisfaction: 85	Scope: 100 Participation: 71 Satisfaction: 83
Performance assessment (Open Feedback Evaluation) (% employees)	Scope <sup>3</sup> : 100 Participation: 99	Scope: 100 Satisfaction: 99
Improvement of work areas in offices (no. employees benefited)	1,850 in the 2023-2025 period	1,019
Promotion of services that favour the work-life balance of employees <sup>4</sup> (number of services)	62 in 2025	52
Crisis Management – Drill Plan	1	1
Security awareness (number of actions)	38	38

<sup>1</sup> Manager: TOP 200 + managerial level + Local managers

<sup>2</sup> Biennial survey. 2022 Results

<sup>3</sup> Eligible and accessible persons who have worked in the Group for at least 3 months

<sup>4</sup> The data refer to the total number of services offered in the 7 Endesa headquarters as a whole, including: Financial advice, nutritionist, travel agency, car rental, vehicle repair and cleaning, dry cleaning, catering, wardrobe, lactation room, etc. The objective has been redefined by adjusting the services to the new work model.

Line of action	Target 2023	Result 2023	
Commitment to local and global communities	Education (number of beneficiaries)	57,000	28,311
	Access to energy (number of beneficiaries)	225,000	291,425
	Socio-economic development (number of beneficiaries)	130,000	116,823
	Nº of Futur-e projects	6	6

Line of action	Target 2023	Result 2023	
Fostering a sustainable supply chain	Verification of environmental, human rights aspects and security aspects in the supplier qualification process (% qualified suppliers)	100	100
	Contracts that include the K of sustainability (% of the total)	98	95
	Tenders covered with mandatory sustainability requirements (% of total tenders)	17	46
	Carbon-footprint certified suppliers (% of tenders with ISO CFP or EDP out of total tenders)	67	60

Promotion of the rating system: Volume of purchases made from qualified suppliers (% of total) <sup>1</sup>	95	<b>99.8</b>
Audits of contractors in labour law and health and safety matters (% of contractors assessed)	12	<b>12</b>

<sup>1</sup>Qualified suppliers in the family subject to recruitment

Line of action	Target 2023	Result 2023
Implementation of the biodiversity conservation programme (number of actions)	>25	<b>39</b>
Internal initiatives to raise awareness of biodiversity protection (No. of communication campaigns)	1	<b>1</b>
Promote the minimisation of waste generated in the electricity generation process <sup>1</sup> (Tonnes)	<14,000 in 2025	<b>20,210</b>
Water collected for industrial use in the electricity generation process (m <sup>3</sup> /GWh)	88.8	<b>74.34</b>
SO <sub>2</sub> emissions (g/kWh)	0.14	<b>0.12</b>
NOx emissions (g/kWh)	0.71	<b>0.71</b>
Particulate emissions (g/kWh)	0.01	<b>0.01</b>
Mercury emissions (mg/kWh)	9.25 E-05	<b>8.29 E-05</b>
Implementation of environmental management systems certified by ISO 14001 (% of installations)	100	<b>100</b>
Environmental footprint reduction (% reduction vs 2022)	-1 in 2025	<b>-5</b>
Certification in environmental energy management and indoor air quality in offices <sup>2</sup> (% surface area)	52	<b>52</b>
Reduction of energy consumption <sup>2</sup> in offices (% of annual reduction vs 2022)	-0.5	<b>+2</b>
Reduction of water consumption <sup>2</sup> in offices (% of annual reduction vs 2022)	-0.5	<b>+9</b>
Reduction in the generation of waste paper and cardboard in offices <sup>2</sup> (% reduction)	-0.5	<b>+20</b>
Reduction in the generation of single-use plastics in offices <sup>2</sup> (% reduction)	-85	<b>-88</b>
Reduction of space in all Endesa buildings (reduction in m <sup>2</sup> )	8,400 in the 2023-2025 period	<b>8,452</b>
CO <sub>2</sub> emissions in buildings <sup>3</sup> (tonnes)	0	<b>0</b>
Development of actions with social function on patrimonial assets (number of actions per year)	10	<b>9</b>
Transformation and improvement of offices (million euros)	>15% in the 2023-2025 period	<b>8</b>
Sustainable fleet management: Electrification and optimisation: electric vehicles (% vehicles in the fleet)	57 in 2025	<b>215</b>
Sustainable fleet management: Electrification and optimisation: Plug-in hybrid vehicles (% of vehicles in fleet)	3 by 2025	<b>787</b>
Sustainable fleet management: Electrification and optimisation: Hybrid vehicles (% of vehicles in the fleet)	10 by 2025	<b>110</b>
Sustainable fleet management: Electrification and optimisation: Combustion vehicles (% of vehicles in the fleet)	25 in 2025	<b>812</b>
Reduction of CO <sub>2</sub> emissions in the management of Endesa's fleets (% reduction vs 2022)	-25 in 2025	<b>+32</b>
Electrification of the car park of the Headquarters (number of spaces) <sup>4</sup>	1,000 in 2025	<b>1,175</b>
Responsible management of the use of taxis: Shared taxi (% of employees) <sup>5</sup>	41 by 2025	<b>36</b>

Line of action	Target 2023	Result 2023
Responsible management of the use of taxis: % km travelled in environmentally friendly taxis <sup>6</sup>	75 by 2025	74
Promotion of the e-carsharing service (km travelled)	60,000 in the 2023-2025 period	31,484
E-bike service (km travelled) <sup>7</sup>	7,500 in period 2023-2025	0
Electric scooter service (km travelled) <sup>7</sup>	3,000 in period 2023-2025	0
Transport card (number of employees)	716 in 2025	782

<sup>1</sup> Includes hazardous and non-hazardous waste

<sup>2</sup> Only SIGAEC environmentally certified buildings are included

<sup>3</sup> The reduction of emissions is determined by the reduction of electricity consumption.

<sup>4</sup> The figure refers to the places that have an electric vehicle recharging system installed

<sup>5</sup> % of the total number of employees who use the taxi for their business travel

<sup>6</sup> Ecotaxis use one of the following technologies: hybrid, electric, LPG or CNG

<sup>7</sup> Service suspended temporarily due to the pandemic

Line of action	Target 2023	Result 2023
To drive a change in culture that boosts the development of the Circular Economy (number of external people who have participated in Circular Economy promotion activities) <sup>1</sup>	>200	653
Circular Economy solution proposals. Identification and feasibility analysis of Circular Economy solutions and new business models focused on key technologies (number of solutions proposed)	4	5
Alliances with companies (number of initiatives in collaboration with other companies)	1	1
Strengthening agreements with cities and other public entities in the Circular Economy (number of agreements)	1	1
Improvement of the circularity of generation facilities (% reduction of materials and fuel vs 2015) <sup>2</sup>	91 by 2030	68

<sup>1</sup> The project ends in 2023

<sup>2</sup> Reduction in the material and fuel consumption of the generation fleet throughout the life cycle, compared to 2025. Nuclear activities not included

Line of action	Target 2023	Result 2023
Investment in the digitalisation of assets, the customer and our people (€ millions invested)	~1,400 in the 2023-2025 period	508.63
Accelerators: Dissemination of the IT security culture to reduce risks (number of cybersecurity knowledge exchange events)	15	19
Execution of cyber exercises involving industrial plant/sites <sup>1</sup> (cumulative No. of cyber exercises)	60	67
ICT security verification (number of actions/year)	1,400	1,861
Gross debt linked to sustainable factors (% gross debt)	~87 in 2025	67

<sup>1</sup>The training services, carried out by mixed Cyber and business personnel, are mandatory and necessary to educate internal stakeholders on the correct use of the Enel CERT in terms of commitment, communication, confidentiality of communication and cyber incidents – services of response (detection, analysis, response, recovery)

Line of action	Target 2023	Result 2023
Occupational health and safety		
Reduction of fatal accidents (number of fatal accidents)	0	1
Reduction of the combined frequency index of accidents	0.32	0.35

Line of action	Target 2023	Result 2023
Promotion of safety inspections at own and contractors' facilities (number of inspections)	110,000	<b>117,775</b>
Promotion of Safety ECoS (extra checking on site) (number of ECoS)	12	<b>16</b>
Promotion of environmental ECoS (extra checking on site) (number of ECoS)	10	<b>15</b>
Promotion of medical examinations (% of total employees) <sup>1</sup>	70.0	<b>72.8</b>

<sup>1</sup> The percentage of medical examinations includes the effect of mandatory annual medical examinations and other voluntary medical examinations coinciding, the frequency of which is biennial, as well as the impact of the ongoing risk re-assessment process on their distribution.

Line of action	Target 2023	Result 2023
Promotion of Sound Governance practices: Supervision and annual reporting to the CAC on the Criminal Risk Prevention and Anti-Corruption Model	Carry out	<b>Completed</b>
Promotion of the prevention of criminal risks: Maintain certifications of criminal compliance (UNE 19601) and anti-bribery compliance (UNE-ISO 37001)	Carry out	<b>Completed</b>
Corporate governance Analysis of complaints through the Information Channel (% of complaints analysed in <90 days)	100	<b>100</b>
Maintain a high level of excellence in ethical conduct and be recognised by ISR <sup>1</sup> analysts (DJSI score in Codes of conduct)	>95	<b>100</b>
Employees trained in at least one ethics and compliance course in the last three years (% of employees)	>75	<b>89</b>
Presence of women on Endesa's Board of Directors (% of women)	40	<b>42</b>
Evaluation of the Board of Directors with the support of an independent consultant	1 Triennial evaluation	<b>Completed</b>

<sup>1</sup> Average valuation of the subsections: "Codes of conduct", "Codes of conduct: coverage", "Corruption and bribery" "Corruption and bribery cases" and "reporting on breaches" from the DJSI "Codes of conduct"

## ANNEX X: Description of Identified Impacts, Risks and Opportunities

The identification and assessment of the potential or actual impacts, as well as the risks and opportunities listed in this section, have been compiled through the sources outlined in Chapter 3. *Double Materiality*, which are subject to the subjective assessments of third parties which, in certain respects, may not be shared by Endesa. In any case, Endesa always carries out its activity in strict compliance with current legal obligations and in line with the most advanced management standards. In addition, it implements measures to avoid any potential negative impact or risk and maximise the positive impact that allows it to take advantage of opportunities. Therefore, under no circumstances should this description of impacts be taken as a declaration of recognition of responsibility by Endesa for the assessments, facts or situations reflected therein.

Through the main actions described in this report, Endesa has strategic actions in place to mitigate any potential risks that may arise from the negative impacts mentioned above. Thanks to this, and to the company's management of ESG issues, Endesa is able to anticipate these potential risks, turning them into opportunities.

	IROs	Topics	Subtopics
Impacts	Respect for human rights across the company's supply chain, upheld as part of the different internal processes related to qualification and recruitment.	Sustainable supply chain.	Respect for human rights in the supply chain.
	Mitigation of climate change by reducing absolute greenhouse gas emissions by phasing out thermoelectric plants. .	Climate change.	Reduction of direct GHG emissions (Scope 1).
	CO <sub>2</sub> emissions generated by operation of thermal power plants		Climate policy and management model.
	Safety around nuclear facilities, ensuring the protection of workers, the public and the environment, by adopting internal procedures that guarantee safe operation.		
	Fair, responsible and transparent tax contribution by adopting a tax strategy (series of principles and guidelines based on values of transparency and legality).	Fair business conduct.	Fiscal transparency.
	Promotion of the energy transition and low-carbon technologies in the national territory by increasing investments.	Creation of economic value.	Investments and regulatory or macroeconomic uncertainty.
	Social and economic development of the areas in which the company operates, through economic investments aimed at promoting and raising awareness about the energy transition.		
	Improvement in the availability of materials and reuse of products in business processes thanks to the promotion of good circular economy practices in the business environment.	Circular economy.	Waste reuse and regeneration.
	Promoting the electrification of cities through the availability of electric mobility infrastructure and technology.	Electrification of uses.	Electric mobility.
	Acceleration of the process of electrification of consumption through the application of solutions and technologies for the electrification of cities (e.g. smart cities and street lighting), for businesses (demand response, etc.) and for people (e.g. energy efficiency in homes and apartment buildings).		New technologies and solutions for people, cities and businesses.
Stimulation and promotion of new qualifications and employment opportunities through the creation of appropriate programmes (training courses, exchange of good practices, etc.).	Participation of local and global communities.	Supporting the social and economic development of communities.	
Socio-economic growth and population stability in areas where nuclear power plants operate.			
Possible divisions within the community on account of community consultations regarding the development of new projects.		Engagement and relationship with communities.	



	IROs	Topics	Subtopics
Risks and opportunities	Lack of synchrony between the benefits for the company and for the community in the development of new renewable projects.		
	Protection and restoration of habitats and natural capital through no net deforestation, the development of new projects in UNESCO World Natural Heritage areas, and no net loss of biodiversity.	Preservation of biodiversity and ecosystems.	Protection and mitigation of impacts on biodiversity.
	Reduction and mitigation of environmental impacts on external stakeholders by adopting regulatory advances at an early stage and promoting an environmental culture.		Environmental management policies and system.
	Improvement of the capacity and quality of supply due to investments in the modernisation of the network and improvement of its digitalisation.	Improvement and development of distribution grids.	Digitalisation and new grids.
	Reducing exposure to market price volatility of renewable technologies through the development of the PPA/long-term contract market.		
	Acceleration of the energy transition at Endesa through the promotion and development of initiatives by regulatory bodies.		Reduction of direct GHG emissions (Scope 1).
	Reduction of investments in renewable or low-carbon technologies caused by bureaucratic delays, regulatory uncertainty or increased cost of borrowing.		
	Under pressure from external stakeholders, the strategy and policies to combat climate change have been stepped up.		Climate policy and model for the management and reduction of indirect GHG emissions (Scope 2 and 3).
	Damage or reduced efficiency of power generation and distribution facilities and supporting infrastructure, resulting in a reduction in their capacity, temporary downtime or complete shutdowns, as a result of increased extreme weather events such as cyclones, droughts, floods, storms, heat waves and fires, all exacerbated by climate change.	Climate change.	Adaptation to extreme weather events.
	Attracting investors and good reputation for proactive approach to address the Just Energy Transition required by the regulator and stakeholders.		Climate policy and management model.
	Lack of momentum for decarbonisation due to lack of ambition in setting the price of carbon emission rights.		Neutralisation and compensation of emissions
	Strategic uncertainty in the face of regulatory changes in the energy pricing system due to changes in the energy mix at a national level.		Governance and defense of nature and climate
	Difficulty in customer retention due to the appearance of new competitors in the market.		
	Higher revenue resulting from strong customer loyalty and satisfaction, thanks to the quality of the service offered.		
Increase in customers by capturing changing consumer demand thanks to new technology-based acquisition strategies.	Commitment to the customer.	Quality in customer relations.	
Loss of customers and reputational damage resulting from customer dissatisfaction with the billing system			
Creation of a wide range of environmentally respectful products, driven by environmental regulatory requirements and society's demands.		Solutions dedicated to customer needs.	

IROs	Topics	Subtopics
Increased revenue thanks to changes in consumer behaviour to adopt more sustainable, electrified and digitised solutions.		
Loss of customers and reputational damage due to the cost of electricity tariffs during periods of crisis.		
Increase in the number of vulnerable customers within the company's portfolio due to situations involving economic crises and periods of inflation.		Energy poverty.
Improved ESG ratings and stock performance due to growing demand from the financial community for greater transparency in corporate disclosures.		
Need to increase transparency in ESG information due to the difference in assessment criteria of different rating agencies and analysts.	Ethical corporate conduct.	Transparency in public information.
Increased tax payments due to political and regulatory intervention in market prices, even affecting the company's profits.		Fair Competition and Antitrust.
Economic shifts in the remuneration of the regulated business due to regulatory changes that could negatively affect transportation activities or the operation of the electricity system.		
Increased production costs due to excessive volatility or increased raw material costs.		
Increase in sustainable projects and investments for social and economic development in the areas where the company operates thanks to regulations and institutional incentives.		Investments and regulatory or macroeconomic uncertainty.
Greater capacity to attract investments due to the appetite of investors for ambitious decarbonisation initiatives.		
Disruptions in energy supplies across Europe due to geopolitical conflicts.	Creation of economic value.	
Alterations in the strategy and economic balance of companies due to the global macroeconomic situation.		
Increased costs due to fluctuations in interest rates, currency exchange rates, and rising inflation.		Debt management.
Attracting investors due to the good positioning in the main ESG indices.		Results in ESG ratings.
Possibility of access to public financial resources linked to energy transition objectives and/or subsidised support systems (funds and tenders) for the energy transition linked to ESG performance.		Sustainable finances.
Difficulties in promoting the electrification of demand due to the lack of ambition on the part of the regulator.		
Increased demand for electricity due to the process of electrification and industrial automation.	Electrification uses.	New technologies and solutions for people, cities and businesses.
Increase in demand for services related to the commitment to the development of smart cities.		
Increased demand for connection points and electricity due to the growing fleet of electric vehicles.		Electric mobility.
Shortage of young professionals for technical and/or operational roles in the generation and distribution businesses.	People management, diversity and inclusion.	Recruitment and development of people.
Reduction in the availability of water for industrial uses, as well as an increase in river water	Management of water resources.	Management of water availability and

<b>IROs</b>	<b>Topics</b>	<b>Subtopics</b>
temperature due to the increase in periods of drought.		reduction of water consumption.
Difficulty in the deployment of renewables or new projects due to social opposition in the areas where the company operates.	Participation in local and global communities.	Engagement and relationship with communities.
Approach of exceeding regulatory requirements in environmental matters due to the increasing level of demand by national and international standards.	Preservation of biodiversity and ecosystems.	Environmental management policies and system.
Economic and reputational losses caused by energy fraud and illegal connections.	Improvement and development of distribution grids.	Reliability, security and maintenance of existing networks.
Possible increase in occupational accidents involving suppliers and contractors due to the increase in activities in the renewable or distribution business caused by the increase in investments in these technologies.	Health and safety.	Safety in the construction and maintenance of facilities.
Improvement of information security systems by the organization to avoid reputational, legal and economic damage due to cyberattacks that cause the loss of sensitive data of employees, customers and suppliers.	Digital transformation.	Cyber security.

## ANNEX XI: Indicators Subject to Reasonable Verification

Indicator subject to reasonable verification	Review Standard	Law 11/2018	Reference
Scope 1 GHG emissions	305-1	X	4.1.5.2. Direct and Indirect Greenhouse Gas (GHG) Emissions
Scope 2 GHG emissions - Market based	305-2	X	4.1.5.2. Direct and Indirect Greenhouse Gas (GHG) Emissions
Scope 2 GHG emissions - Location based	305-2	X	4.1.5.2. Direct and Indirect Greenhouse Gas (GHG) Emissions
Scope 3 GHG emissions	305-3	X	4.1.5.2. Direct and Indirect Greenhouse Gas (GHG) Emissions
Carbon footprint - Market based	305-1, 305-2, 305-3		4.1.5.2. Direct and Indirect Greenhouse Gas (GHG) Emissions
Carbon footprint - Location based	305-1, 305-2, 305-3		4.1.5.2. Direct and Indirect Greenhouse Gas (GHG) Emissions
Intensity of specific Greenhouse Gas (GHG) emissions	305-4	X	4.1.5.2. Direct and Indirect Greenhouse Gas (GHG) Emissions
SAIFI (Power outage frequency)	EU28		4.3.1.2 Continuity of Supply
SAIDI (Average power outage duration)	EU29		4.3.1.2 Continuity of Supply
Minimum percentage of women in succession plans	404-2		4.6.1.2.2. Talent Development 4.7.2.1.1. Leadership of the Board of Directors
Women in middle management positions	405-1		4.6.1. Empowering Our People
% of female directors	405-1		4.6.1. Empowering Our People
Frequency index by gender (own staff)	403-9	X	4.7.3.1.5. Decrease in the Accident Rate
Frequency index by gender (contractors)	403-9		4.7.3.1.5. Decrease in the Accident Rate
No. occupational accidents by gender (own staff)	403-9	X	4.7.3.1.5. Decrease in the Accident Rate
No. occupational accidents by gender (contractors)	403-9		4.7.3.1.5. Decrease in the Accident Rate
No. fatal accidents by gender (own staff)	403-9	X	4.7.3.1.5. Decrease in the Accident Rate
No. fatal accidents by gender (contractors)	403-9		4.7.3.1.5. Decrease in the Accident Rate
Fatal accident rate involving own staff	403-9		4.7.3.1.5. Decrease in the Accident Rate
Fatal accident rate involving subcontractor employees	403-9		4.7.3.1.5. Decrease in the Accident Rate
High-potential accident frequency index, own staff	403-9		4.7.3.1.5. Decrease in the Accident Rate
High-potential accident frequency index, contractor employees	403-9		4.7.3.1.5. Decrease in the Accident Rate
Recordable injury frequency index, own staff	403-9		4.7.3.1.5. Decrease in the Accident Rate
Recordable injury frequency index, contractor employees	403-9		4.7.3.1.5. Decrease in the Accident Rate
Life-changing accident frequency index, own staff and contractor employees	403-9		4.7.3.1.5. Decrease in the Accident Rate
Life-changing accident frequency index, contractor employees	403-9		4.7.3.1.5. Decrease in the Accident Rate
Volume of commercial complaints (Endesa Energía and Energía XXI)	Number of commercial complaints generated by customers of Endesa Energía and Energía XXI	X	4.3.2.3. Resolution of Customer Complaints
Volume of commercial complaints (Endesa X)	Number of commercial complaints generated by customers of Endesa X	X	4.3.2.3. Resolution of Customer Complaints
Volume of supply claims	Complaints received by the distribution company generated directly by the customer, without intermediation of the commercialization company.	X	4.3.2.3. Resolution of Customer Complaints

Direct Greenhouse Gas (GHG) emissions from the Electricity Generation Process – Scope 1	305-1		4.1. OUR ZERO EMISSIONS AMBITION
Specific GHG emissions of scope1&3.Generation and purchases from third parties. (gCO2eq/kWh)	305-1, 305-3		4.1. OUR ZERO EMISSIONS AMBITION
Specific GHG emissions, Scope 3. Distribution of gas to end customer (Mt CO2)	305-3		4.1. OUR ZERO EMISSIONS AMBITION
Workforce distribution – women (Number and %)	405-1	X	4.6.1. Empowering Our People
Breach of the Code of Ethics	Number of irregular, non ethical or illegal conducts, that are generated in the development of the activities of the Society and which constitute a breach of the principles established in the Code of Ethics of the company (the breach may or may not constitute a criminal offence). It is made of the complaints received through the ethical channel or by other means (e-mail or letter), which after being analyzed by the Audit Department and/or other expert units, constitute a breach of the Code of Ethics.		4.7.2.2.5. Internal Protection System for Informants

## ANNEX XII: Public Independent Review Report

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

### **Independent Assurance Report on the Non-Financial Information and Sustainability Statement of Endesa S.A. and subsidiaries for 2023**

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

To the Shareholders of Endesa, S.A.

We have been engaged by Endesa, S.A. management to perform a limited assurance review of the accompanying Non-Financial Information and Sustainability Statement of Endesa, S.A. (hereinafter the Parent) and subsidiaries (hereinafter the Group) for the year ended 31 December 2023 (hereinafter the Report), prepared in accordance with the Sustainability Reporting Standards and the Electric Utilities Sector Supplement of the Global Reporting Initiative (hereinafter GRI Standards), based on each subject area in Appendix II "GRI Content Index" of the Report, which forms part of the Group's consolidated Directors' Report for 2023.

In relation to the indicators described in Appendix XI "Indicators Subject to Reasonable Assurance" of the Report, prepared in accordance with the criteria set out in Appendix XI, we performed a reasonable assurance review.

In addition, pursuant to article 49 of the Spanish Code of Commerce, we have performed a limited assurance review of the Consolidated Non-Financial Information Statement (hereinafter NFIS) of the Group at 31 December 2023, included in the Report, prepared in accordance with prevailing legislation and selected GRI Standards, based on each subject area in Appendix III "Index of Contents Required by Law 11/2018" of the aforementioned Report.

#### **Responsibility of the Parent's Directors**

The Directors of the Parent are responsible for the content and authorisation for issue of the Report included in the Group's consolidated Directors' Report. The Report has been prepared in accordance with the GRI Standards, based on each subject area in Appendix II "GRI Content Index" of the Report, the indicators subject to reasonable assurance described in Appendix XI "Indicators Subject to Reasonable Assurance" of the Report have been prepared in accordance with the criteria set out in Appendix XI, and the NFIS included in the Report has been prepared in accordance with prevailing legislation and selected Sustainability Reporting Standards of the Global Reporting Initiative (GRI Standards) based on each subject area in Appendix III "Index of Contents Required by Law 11/2018" of the aforementioned Report.

This responsibility also encompasses the design, implementation and maintenance of internal control deemed necessary to ensure that the Report is free from material misstatement, whether due to fraud or error.

The Directors of the Parent are also responsible for defining, implementing, adapting and maintaining the management systems from which the information required to prepare the Report was obtained.



## **Our Independence and Quality Management**

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

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

The engagement team was comprised of professionals specialised in reviews of non-financial information and, specifically, in information on economic, social and environmental performance.

## **Our Responsibility**

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Our responsibility is to express our conclusions in an independent limited assurance report (reasonable assurance in the case of the indicators described in Appendix XI "Indicators Subject to Reasonable Assurance" of this Report), based on the work performed. We conducted our engagement in accordance with the requirements of the Revised International Standard on Assurance Engagements 3000, "Assurance Engagements other than Audits or Reviews of Historical Financial Information" (ISAE 3000 (Revised)), issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC), and with the guidelines for assurance engagements on the Non-Financial Information Statement issued by the Spanish Institute of Registered Auditors (ICJCE).

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement, and consequently, the level of assurance provided is also lower.

In the case of the indicators described in Appendix XI "Indicators Subject to Reasonable Assurance" of the accompanying Report on which we performed a reasonable assurance review, this level of assurance is lower than absolute assurance. We have obtained an understanding of internal control relevant to the preparation and presentation of these indicators in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

Our work consisted of making inquiries of management, as well as of the different units and areas of the Group that participated in the preparation of the Report, reviewing the processes for compiling and validating the information presented in the Report and applying certain analytical procedures and sample review tests, which are described below:

- Meetings with the Group's personnel to gain an understanding of the business model, policies and management approaches applied, the principal risks related to these matters and to obtain the information necessary for the external review.
- Analysis of the scope, relevance and completeness of the content of the Report for 2023 based on the materiality analysis performed by the Group and described in section "3. Double Materiality", considering the content required by prevailing mercantile legislation.



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

- Analysis of the processes for compiling and validating the data presented in the Report for 2023.
- Review of the information relative to the risks, policies and management approaches applied in relation to the material aspects presented in the Report for 2023.
- Analysis of the design and implementation of relevant controls in the preparation of information on the indicators reviewed with a reasonable level of assurance.
- Corroboration, through sample testing, of the information relative to the content of the Report for 2023 and whether it has been adequately compiled based on data provided by the information sources.
- Review of the reporting process concerning the environmental and health and safety information at the Besós combined-cycle plant, selected based on a risk analysis, taking into account quantitative and qualitative criteria.
- Procurement of a representation letter from the Directors and management.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our reasonable and limited assurance conclusions.

### **Conclusion on Indicators with Reasonable Assurance**

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In our opinion, the indicators included in the Report and described in Appendix XI "Indicators Subject to Reasonable Assurance" of the aforementioned Report, have been prepared and presented, in all material respects, in accordance with the criteria set out in Appendix XI of the Report.

### **Conclusion on Information with Limited Assurance**

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Based on the assurance procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that:

- The Non-Financial Information and Sustainability Statement of Endesa, S.A. and subsidiaries for the year ended 31 December 2023 has not been prepared, in all material respects, in accordance with the GRI Standards, as described in Appendix II "GRI Content Index" of the Report.
- The NFIS of Endesa S.A. and subsidiaries for the year ended 31 December 2023, included in the Report, has not been prepared, in all material respects, in accordance with prevailing mercantile legislation and selected GRI Standards, based on each subject area in Appendix III "Index of Contents Required by Law 11/2018" of the Report.

### **Emphasis of Matter**

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Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and the Delegated Acts adopted in accordance with this Regulation, stipulate the obligation to disclose information on how and to what extent the undertaking's activities are associated with eligible economic activities in relation to the environmental objectives of sustainable use and protection of water and marine resources, transition





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to a circular economy, pollution prevention and control and protection and restoration of biodiversity and ecosystems (the other environmental objectives), and with respect to certain new activities included in the climate change mitigation and climate change adaptation objectives, for the first time for the 2023 fiscal year, in addition to the information on eligible and aligned activities already required in 2022 in relation to the climate change mitigation and climate change adaptation objectives. Consequently, no comparative information on eligibility has been included in the Report in relation to the other environmental objectives listed above or to the new activities included in the 15 climate change mitigation and climate change adaptation objectives. Furthermore, inasmuch as the information on 2022 was not required to be as detailed as in 2023, the disclosures included in the Report are not strictly comparable. In addition, the directors of Endesa S.A. have included information on the criteria which, in their opinion, allow them to comply better with these obligations and which are defined in section "4.4.4.2. European taxonomy" of the accompanying Report. Our conclusion is not modified in respect of this matter.

### **Use and Distribution**

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In accordance with the terms of our engagement letter, this Report has been prepared for Endesa S.A. in relation to its Non-Financial Information and Sustainability Statement 2023 and for no other purpose or in any other context.

In relation to the Consolidated NFIS, this report has been prepared in response to the requirement established in prevailing mercantile legislation in Spain, and thus may not be suitable for other purposes and jurisdictions.

KPMG Auditores, S.L.

*(Signed on original in Spanish)*

Marta Contreras Hernández

27 February 2024