



RED
ELÉCTRICA
CORPORACIÓN

ADDRESS

GENERAL SHAREHOLDERS' MEETING

CHAIRWOMAN

14 May 2020

Introduction

Hello and welcome,

First of all, I would like to mention the great honour it is for me to take charge today, for the first time, of the General Shareholder's Meeting of Red Eléctrica. I would like to fully express my excitement, enthusiasm and responsibility at leading this major corporation as its non-executive chairwoman and to lead this exceptional human team that conforms it. I would like to thank the Board of Directors for the trust that they have placed in me, and above all for the support of all of you, the shareholders, should you consider it appropriate to confirm my appointment at this General Meeting.

I would like to take this opportunity to dedicate a few words to my predecessor in this position, Jordi Sevilla, who made a significant contribution to the Group through his support for telecommunications, internationalization and innovation, and for reinforcing the TSO to face the important energy transition that we are currently working on.

Our meeting today cannot take the form we would prefer, and which we are used to. The COVID-19 pandemic has forced us into a situation we could not have imagined, the main and most dramatic consequence of which is the loss of so many lives, so many loved ones to whose families we express our most sincere condolences.

This crisis has also driven Red Eléctrica to unexplored terrain, despite the fact that we were able to make preparations in advance. We created monitoring groups to observe the COVID-19 situation in early February, which enabled us to apply a strict contingency plan that, among other measures, and to guarantee even more the redundancy, set up a third control centre capable of assuming full control of the system if necessary, a highly unlikely situation but we wanted to take all possible precautions. This has enabled us to ensure the provision of the essential services that we offer society at all times: electricity supply and connection to the telecommunications network, which are operating with full normality. We could also rely on the digital transformation of the company, a development which we have been preparing to enable us to work remotely, and above all, we have had what I would define as the soul of Red Eléctrica: its employees, who have once again shown how great their commitment and professionalism is. I would like to express my sincere thanks to each and every one of them.

I would also like to take a moment to honour the memory of José Folgado, who was chairman of Red Eléctrica from 2012 to 2018 and who passed away in March last year. The company achieved several important milestones during his time in charge, and he will be remembered for his humanity and dedication to his work and above all to people. I would also like to remember Santiago Lanzuela, who was a member of the Board of Directors of Red Eléctrica between 2014 and 2018, and who passed away last April. I would like to send my sincere condolences to their families, and to all those who have lost a loved one to this illness. There is nothing we can say to alleviate your pain. We shall not forget them.

Protecting the health of our employees, and securing the correct operation of the national electricity system and the communications and satellite networks have been the principal concern of Red Eléctrica during the pandemic, and especially during the application of the state of emergency that was declared last 14 March.

If ensuring the electricity supply is essential for the country at any time, it is especially important in these troubled times, as was mentioned by their Majesties the King and Queen of Spain in their visit to the CECOEL Operations Centre, acknowledging the critical value of the infrastructures run by Red Eléctrica. I thanked them personally for their visit on behalf of the whole company and its Board of Directors, gratitude that I can here share in public.

A critical situation like the present also underlines the values of a company such as ours, as an essential part of the society in which we carry out our business. The values of community, social and environmental sustainability. This is why Red Eléctrica has joined many and diverse social campaigns in support of the people and families who are suffering greatly in this crisis, and initiatives which aim to promote business activity through innovation, putting emphasis on measures that will enable a recovery that ensures the conservation of the environment and the welfare of all.

We desired to show our commitment in these dire circumstances with actions that have the greatest impact in the most immediate environment of the citizens. Among the charitable activities that we have taken part in to help those who are experiencing the most difficulties in this pandemic, we would like to mention the following brief list:

- We have joined the Cruz Roja Responde program to help provide food and company for 25,000 vulnerable people during two months.

- We have also provided financial support for the production of medical materials, mainly through our participation in the “Open Ventilator” project, an artificial respirator approved by the Health department and organised by the Celera Foundation.
- Red Eléctrica has supported the rural environment through a number of initiatives shared with organizations that we had already worked with, to help maintain small farms whose normal channels of distribution have broken down. In some cases, we helped them to sell their produce, and in others we have donated fresh produce to institutions such as Mensajeros de la Paz, Caritas or Food Banks that help families and vulnerable persons at risk of exclusion.
- A fourth type of collaboration has seen us intervene, through our technological subsidiary, in programs to support startups to develop projects that can appear in the short term to help ease the economic and social effects of the crisis.

We assure you that we shall continue to work and express our social commitment in the coming months, collaborating as part of our responsibility to drive the return to normal life that we all desire.

We shall help with our activities to revive the industrial fabric of Spain, aware of the difficulties that one of our main stakeholders, our suppliers, are suffering, always putting the safety of our workers first and implementing safety protocols adapted to each position in every case.

Progress of the company, 35th anniversary

Red Eléctrica has reached its 35th anniversary. During all these years, the company has assumed a responsibility to develop a business model that is capable of converting challenges into opportunities, relying on foundations of excellence, innovation, integrity, honesty and combining its business activities with care for the environment and the creation of shared value with society.

Today, just like thirty years ago, our goal is clear: to be of service to society as a global operator of strategic infrastructures. With this as our base, our company runs its business and contributes efficiently to the decarbonisation of the economy and the energy transition, by integrating renewable generation, favouring territorial unity and social inclusion by extending connectivity. These are challenges that we accept and in which we want to play a leading role, using **sustainability** as a

prime force as we advance, especially when it comes to working and generating a truly positive and effective value for society.

We find ourselves in a time of global transformation in which business is an active driver of change, and we have to be alert to the challenges of the global economy. More than ever, we must move forward day by day, but thinking of the future. We know what we want to do in the Red Eléctrica Group: to be at the heart of this global transformation. We are the main operator of strategic infrastructures in Spain, both in the electricity sector and in telecommunications. We also manage one of the main electricity transmission infrastructures in South America and are one of the largest satellite telecommunications operators in the world, following our acquisition of Hispasat last October, and this is the first General Shareholders' Meeting under this configuration of the Group, with the satellite operator under our control. We are also a company that looks to technological innovation as the tool for change and generating new business. We also rely on the most important of our assets, the talent and commitment of more than 2000 employees that constitute this business group.

35 years after Red Eléctrica was founded as the first company in the world exclusively set up for electricity transmission and running the electricity system, the Red Eléctrica Group has become a business group that is...

- More diversified in key sectors of the economy.
- Stronger, more robust and with more capitalised activities.
- Larger, with more investment and more stable through the diversification of its business in the electricity and telecommunications sectors (in fibre optics and satellites) and expanding its market with presence in Peru, Chile and Brazil, limiting the risks and ensuring the independence of the electricity system operator

In 2019 this has taken the form of a major investment effort in line with our Strategic Plan and a diversification program that is worth 1,870 million euros this year, 3.4 times the amount invested in the previous year, of which 396.4 million euros have been invested in the electricity transmission business in Spain, 226 million in international investment and 1,215 million in the telecommunications business.

This movement has also led to us becoming a business group...

- more committed to sustainable development; more necessary to achieve energy transition; more socially useful and more valuable for its stakeholders.

And to show this with examples, I would like to mention some figures from 2019:

- As regards our fundamental mission, we have maintained the electricity supply for 99.99% of the time in Spain and our installations in Peru and Chile have achieved availability of more than 99.5%. In HISPASAT we have maintained 100% availability of the working power of the satellites.
- We have made it possible for energy produced from renewable sources to amount to 37.5% of all the electricity generated in the Spanish electricity system. We are therefore progressing towards our 2030 sustainability goal of integrating 100% of renewable energy available to the electricity system safely, minimizing waste and speeding up compliance with the targets for energy transition.
- Thanks to our activity, we have prevented the emission of 26.6 million tonnes of CO₂.
- Our direct investment in the transmission grid in Spain resulted in an estimated 641 million euros of production for the business sectors involved, which accounts for more than 4,727 jobs.
- We have contributed to stability and quality in employment, with a rate of 97% permanent jobs in our Group.
- We have acted as an engine of the economy, promoting business and industrial development and job creation throughout our supply chain, today made up of over 1,000 suppliers, 91% of whom are based in Spain.
- We have contributed to society with an overall tax contribution of 732 million euros. We can see that 44% of the value generated by our company goes towards paying taxes.

Energy transition and climate crisis

The central proposition of the Red Eléctrica Group is to play a leading role in energy transition. The electricity sector has not stopped transforming, innovating and improving its service to society over the last 35 years. We are now at a crucial time to tackle the climate crisis by changing the way in which we generate, distribute and consume electricity, making the decarbonisation of the economy possible through electrification, energy efficiency, digitalization and the central role of the consumer.

One of the four essential pillars of our Strategic Plan 2018-2022 is to reinforce the TSO to enable energy transition to take place. The fundamental elements for this transition to move forward are the continued investments and technology for developing a robust, smart and ever more interconnected transmission grid (reinforcing the links), the optimisation of an increasingly complex electricity system, progress in demand measurement and management applications, the addition of storage systems and new elements, such as electric vehicles. There must also be innovation in smart networks, digitalization and datahubs, and the emergence of new services that make it possible for the different agents to coordinate with each other.

Red Eléctrica accepts its responsibility for this energy transition and the fight against climate change by supporting the change towards emission-free energy vectors in all sectors of the economy and promoting greater energy efficiency in a more technological scenario, which society as a whole will benefit from.

The Spanish National Integrated Energy and Climate Plan 2021-2030 contains even more ambitious goals than those set by the European Union because it establishes a target of almost tripling the installed capacity for wind power and solar. 53% of the investments in Red Eléctrica's Strategic Plan 2018-2022 are dedicated to making this possible.

The safe integration of renewable energy is one of the major challenges facing the running of the electricity system and one of the obvious goals of our company. This integration involves major challenges and increasing complexity for our system.

The work of Red Eléctrica to integrate renewables is shown in our daily activities through the efficient operation of the Control Centre of Renewable Energies (CECRE). This technological tool, the first of its kind in the world, enables us to face the challenge of including renewable energy in our

electricity system, especially wind power and solar, which are highly variable, difficult to predict and have less capacity to adapt to demand, depending as they do on weather condition.

Another significant aspect of energy transition is the move towards electric mobility. Smart recharging of electric vehicles would make a more efficient electricity system possible, with better integration of renewable energy. In this context, we are advancing towards this scenario by tracking and monitoring electricity demand for the smart recharging of electric vehicles. There were four mobility operators in our electric vehicle monitoring system at the end of 2019, with nearly 2,000 charging points under our control, more than 70% of which were for private use, while the others were all in public spaces. On the other hand, information about the smart charging infrastructure of mobility operators became more important in 2019 with the issue of the national map of public smart charging points for electric vehicles, with geographical references for the public charging networks belonging to these operators.

The publication of this map has shown the firm resolution of the Red Eléctrica Group for a transition towards more electrical mobility as part of its objectives for 2030 to empower 100% of society to take an active role in the process of energy transition. We see the citizen as central to this change, and smart recharging as a tool to encourage their integration in the electricity system as part of an energy mix that is predominantly renewable.

From this perspective, 2019 has seen us working hard to formalise a number of agreements and deals in relation with electric mobility and demand management with different participants in the sector. Red Eléctrica de España signed a collaboration agreement with the Federación Española de Municipios y Provincias (FEMP) to provide technical support for electric mobility.

Besides, as part of the SERCLIENTE initiative, Red Eléctrica de España has carried out actions to strengthen its actions with its customers (generators, consumers, distributors, sellers, promoters, associations, among others) to reinforce contacts and guidance for customers on the part of the company, adopting a dynamic, flexible and digital approach that takes active listening to the needs and expectations of its stakeholders as its central tenet. They include adapting the implementation of European standards to the Spanish electricity system and advancing towards setting up an Internal Energy Market, working with other important participants in the sector to define the Roadmap for preparing the balancing markets to be managed by the System Operator.

There can be no doubt that playing a leading role in energy transition through all the levers that I have mentioned is our main response in the fight against the climate crisis.

Since 2011, the Red Eléctrica group has shown its committed dedication to the fight against **climate change**, which has taken the form of the Climate Change Action Plan (2015-2020-2030) and in the objective of reducing our greenhouse gas emissions by 40% for each MWh transported in 2030, a goal that was considered by the international body, *Science Based Target*, as ambitious enough to be considered a significant contribution to international commitments to climate change. Only nine companies in Spain, including Red Eléctrica, and 361 worldwide, have achieved this international validation of their targets for reducing emissions.

Besides, in 2019, the company has signed up to the initiative ***Business Ambition for 1.5 °C***, derived from the United Nations' Global Compact, and its local networks, which means a commitment to work to define a **new, even more ambitious objective**.

I would also like to mention that in 2019, Red Eléctrica completed an ambitious project to adapt its model of risk management to the recommendations of the *Task Force on Climate-related Financial Disclosures*.

The company has analysed the risks and opportunities associated with the modification of climate variables (physical risk) and modifications of the regulations, technological advances and changes in the markets derived from the adoption of measures to fight against climate change (transition risk).

We have identified 45 potential risks altogether that can either affect our facilities physically, the reliability of the system or other aspects related with the electricity business in Spain. These risks have been assessed in accordance with the criteria for exposure, sensitivity and capacity to respond.

We have defined and ranked the most significant risks to monetise those which have been identified as having the most financial impact. The important risks derived from climate change with impacts within the time scale of one year have been added to the Map of Corporate Risks and will therefore be overseen by the Board of Directors through the Audit Committee and the Sustainability Committee.

The fight to stop climate change implies a major transition within the energy model. One key aspect of this transition will affect the electricity sector. The changes derived from the new model also represent a series of opportunities for the Red Eléctrica Group, which must intensify its activity and strengthen its position at the heart of the electricity system.

The transition opportunities for the Red Eléctrica Group from the changes to regulations, technology, the market and reputations that are involved in the fight against climate change will be important. Given the main activity of our company, aspects that are related with energy policy established in the context of the European Union, and especially those in the draft version of the Spanish National Integrated Energy and Climate Plan (Spanish Acronym: PNIEC) are particularly important, and these scenarios have been used as the reference points for the analysis we have made.

The electricity transmission grid has been given an essential role in the context defined by these European and domestic policies, as it provides critical services to secure the supply that make it even more important in a system with a very high penetration of renewables. These aspects are therefore a clear call for new investments in the transmission grid (new lines and interconnections), and also a new opportunity for business growth for the company. In this context, one of our challenges for the near future is to make the Plan for the electricity transmission grid for the period 2021-2026.

However, making the new role of renewable energy, the new elements of the system and new technologies, digitalization, distributed generation, self-sufficiency, safety and quality all compatible will only be possible if Red Eléctrica de España assumes new responsibilities and functions in a new, less centralised scenario requiring more coordination from the agents involved. In this case, the company has identified opportunities linked to the development of new functions and services, like the development of storage and other technical challenges that will form part of the energy transition process.

Finally, the Group's improved performance with respect to mitigating and adapting to climate change could have a positive effect on its reputation, leading to better financing opportunities or higher stock prices.

Sustainability and corporate governance

We can see that the time for statements has passed, and it is now time to act with greater responsibility than ever before. With this in mind, the Red Eléctrica Group has embarked on specific actions to generate value and contribute to economic, social and environmental progress by adopting the 2030 Agenda to contribute to Sustainable Development Goals (SDG).

We have a firm strategic Commitment to Sustainability 2030 across our business sector, guided directly by the Board of Directors through the Sustainability Committee, and we have confirmed it as an essential feature of our business strategy.

Through sustainability, the company has consolidated a business model that can respond to the challenges of the future, based on the criteria of excellence, innovation, integrity and honesty, to ensure that the Group's business is compatible with the care for the environment and shared value generation through alliances with its community.

The Red Eléctrica Group made firm progress in 2019 towards acquiring long-term commitments by passing Red Eléctrica's eleven Sustainability Goals 2030 which constitute our roadmap and reflect our ambition to contribute with solutions for today's world. These targets are set out in the Strategic Plan 2018-2022 and enable us to define specific actions to:

- Guide the company's efforts to comply with the commitments it has accepted.
- Create value directly for its different stakeholders.
- Be an active agent of change, to generate positive effects on society as a whole.
- Tackle the major global challenges that make progress to a more sustainable world possible.

I have already mentioned some of the targets that feature in our sustainability commitment, such as:

- The reduction of greenhouse gas emissions
- Increase the active participation of the whole of society in the process of energy transition.
- Safely integrate 100% of the renewable energy available to the grid.

I would now like to move on to comment those aspects that I have not mentioned so far.

- We want to be a benchmark company for gender equality and diversity, by including groups at risk of social exclusion and unemployment, with the goal of achieving parity in the management team by 2030.

The Red Eléctrica Group expresses its commitment to diversity, inclusion and non-discrimination in its Diversity plan 2018-2022, which is intended to inspire and be a reference point, within the Group and in its social, working and personal environment, for activating diversity of talent, social inclusion and employment, non-discrimination, challenging stereotypes and cultural barriers.

Gender equality is one of the vectors of this plan and is based on the principles of equal opportunities in employment, promotion of women to positions of responsibility, equal pay for men and women, promotion of shared family responsibilities, prevention of moral, sexual and gender-based harassment and prevention of gender violence.

The percentage of women in the Red Eléctrica workforce was 25.9% in 2019. The number of women in management roles has increased again significantly for another year, reaching 31.8% in 2019 (28.8% in 2018).

The presence of women in the Executive Committee is notable, where they represent 55.6% of the members, and I would like to underline that, on 31 December, 41.7% of the members of the Board of Directors were women (we are now 50%). These figures mean that we are above average for the companies in the IBEX 35 (which is 27.3%) and the target of 30% recommended by the Code of Good Governance for 2020 and even the revised figure of 40% proposed by the CNMV.

We are also promoting feminine STEM talent in companies through programmes and agreements to encourage the presence of women in these areas of knowledge and training.

There can be no doubt that training our young people is the key to ensuring we have the talent we need to face the future and consolidate our commitment to the progress of our society, creating opportunities for qualified professionals to enter the labour market. In view of this, the Red Eléctrica Group has reinforced its dual vocational training qualification for Advanced Power Station Technicians.

The goals of this course, which covers both the theory and practice, are: to train professionals for immediate induction to specialist maintenance positions, to provide the sector with trained professionals with the know-how of Red Eléctrica de España and endow young people with the skills

they need to find employment and form part of the domestic industrial sector. Our first group qualified in November 2019 and 80% of the students joined the Red Eléctrica Group before the end of the year.

- Like our other sustainable goals, we aim to “Be a company financed with social, environmental, and good governance criteria in 2030”.

Red Eléctrica, as a promoter of energy transition in Spain, is one of the companies leading the push for green financing. In fact, in December 2017 it became the first company in the utilities sector to transform its syndicated loan of 800 million euros into sustainable finance by adding ESG criteria to its interest rate. It signed new long-term financing deals in 2019 worth 375 million euros and 30 million dollars, with sustainability parameters.

Continuing this trend, the company made another step forward in October 2019 by presenting its Green Finance Framework, to create financial instruments that will be behind energy transition projects in Spain and to encourage environmental care.

Barely three months after it was passed, Red Eléctrica has made its first bond issue worth 700 million euros, to finance projects that are eligible under the Green Framework. These initiatives show Red Eléctrica’s strategic commitment to sustainability through its sensible and transparent economic and financial management.

- Alongside the people, we see innovation and technology as key aspects of global transformation. This is why we want to take a leading role in technology, driving at least 120 tech innovation initiatives by 2030, making the world more connected, more sustainable and smarter.

Our Strategic Plan 2018-2022 establishes acceleration and technological innovation among its basic elements, and proclaims the setting up of a new company dedicated exclusively to promoting innovation and technology in the electricity and telecommunications sectors.

This company, which was created in June 2019, drives energy transition and accessibility of information, thus helping to address the current and future challenges faced in global management of strategic infrastructure. To achieve this, it organizes its activities in four priority areas: technological innovation for development of energy transition and telecommunications; open innovation; acceleration and *Venture Capital*, and sales.

In 2019, the Red Eléctrica group has made a financial stake worth 10.6 million euros, including 5 million committed to the Venture Capital fund.

- We are also pursuing two environmental goals, along with the reduction of emissions we have already noted: to generate a positive net impact on the natural capital in the areas around our facilities and to be an outstanding company in the circular economy by 2030.

As regards the first of these, in accordance with the directives of the *Natural Capital Protocol*, and in view of the mutual dependence of the Group's business and society, the company has spent 2019 working on a pilot project based on an existing installation to design a sensible method and analysis to apply to natural capital.

The development and application of this methodology will enable us to advance in impact assessment, and therefore our knowledge of the net balance of our impact on biodiversity, offering a definition of the measures we take to compensate them and how ambitious they are, helping us to identify and boost any possible positive outcomes. This will enable us to advance towards the positive results we want.

As regards the conservation of natural capital, I would like to mention the Red Eléctrica Marine Forest. This R+D+i project on the use of seeds or fragments of *Posidonia oceánica* to revive damaged areas of its natural habitat was awarded the XII Cinco Días prize in 2019 for Business Innovation in the category of the most innovative business initiative in corporate social responsibility (CSR).

On the other hand, and as part of our progress towards a sustainable energy model, the company is working to integrate the circular economy in the activities it carries out.

In 2019, this commitment took the form of the creation of a Circular Economy Roadmap containing specific goals and actions aiming at improving in several areas, materials, 0 waste, soils, water and a final cross-disciplinary category which includes a range of aspects that add the criteria of circularity to our activities

- As part of our commitment to the areas where we are installed, the Red Eléctrica Group wants to continue with the creation of shared value, committing ourselves to the horizon of 2030 and

to completely eliminating the digital divide so that 100% of people living in areas near our facilities can be connected.

In this sense, the Red Eléctrica Group has a Social innovation plan that establishes an open, collaborative model for third parties as a way of responding to the needs and challenges of society through innovative solutions with a long-term positive social impact.

The Red Eléctrica Group has adopted a commitment to making social innovation a transverse axis when it comes to accepting new investment projects in the transmission grid and the goal of countering the abandonment of the rural environment. This is an integrated plan that extends our contribution to the growth of society from the reduction of the digital divide to the expansion of sustainable mobility, taking in our support for local innovation and raising awareness of energy transition

In 2019, the company contributed more than 8 million euros to social initiatives (around 1.1% of its net profits), to the development and promotion of a total of 545 initiatives, which represents an increase of 25% over those carried out in the previous year. More than half of these were aimed at the social and economic development of rural areas, with activities to generate wealth there as a way of encouraging repopulation of the countryside.

➤ We do not limit ourselves to applying the best sustainability practices in Red Eléctrica, we want to extend them along our entire value chain, which is why we include them among the goals of our vision for 2030: to be a driver of change for our suppliers.

In 2019, we completed the first stage of our Collaboration program with suppliers to reduce our carbon footprint, with 23 of the organization's most important suppliers taking part and accounting for around 57% of the emissions from the supply chain.

We have also completed a training program on the fight against corruption, in collaboration with the Spanish Network of the United Nations Global Compact, to train our suppliers in this issue and consolidate the ethical values of the Red Eléctrica Group among our suppliers.

Ethics and compliance are also fundamental pillars for the proper operation of our Group.

We are also in the final stages of our Code of Ethics, with the fundamental standards that establish the Group's ethical principles and commitments, adapting it to the most demanding standards of

business ethics, the changing demands of our stakeholders and the changes that are taking place in our own structure.

As regards the company's Compliance system, I would like to underline that the Board of Directors passed the Global Compliance Policy for the Red Eléctrica Group in March 2019. It contains our organization's firm commitment to the prevention, detection and response to any conduct that is contrary to the legal obligations and commitments that the company has voluntarily accepted, in accordance with the principles and guidelines for behaviour laid down in the Code of Ethics.

Parallel to our progress in social and environmental sustainability, 2019 has also seen us continue our efforts to advance in the application of best practices in the area of good governance. The highlights of the year would include:

- The appointment through co-option of the CEO and myself as non-executive chairwoman of this Board of Directors, whose confirmation as CEO and board member coming under the heading of “other externals”, respectively, are submitted to this Meeting for the approval of all our shareholders.
- The re-election of the Lead Independent Director, despite the separation of the roles of Chair of the Board and company CEO, aims to preserve the checks and balances in the Board of Directors in favour of independent members, among other reasons, and because it is a popular idea among shareholders and proxy advisors. This choice of independent board member is submitted for your approval today.
- The update of the contingency plans to succeed the chair of the Board of Directors and the CEO, as well as the orderly succession to the roles of CEO and chairperson under the company's current model of corporate governance.
- The application and permanent update of the matrix of individual responsibilities for the Board of Directors.

All these aspects mentioned previously show the Red Eléctrica Group's commitment to sustainable development but also to excellence and best practices in all the activities in the value chain. As a result, Red Eléctrica was named “Ambassador of European Excellence” by Club Excelencia en Gestión again in 2019, a title given to companies and entities which have a current EFQM 500+ European Seal of Excellence and have scored over 600 points in their assessment. We also received

the I National Prize for Excellent, Innovative and Sustainable Management, awarded by the Club Excelencia en Gestión, for our track record in this sense over the years.

The company also has a prominent presence in sustainability indexes of recognised prestige. In 2019, the Red Eléctrica Group earned the maximum score (AAA) awarded by the Morgan Stanley Capital International rating agency, placing it in first place in its sector according to the ESG rating made by ISS ESG.

Closure

To sum up, our company possesses the three assets that define the global paradigm shift: electricity, telecommunications and the talents of the 2,056 people who make up the Red Eléctrica Group and who put ourselves at the service of the enormous tasks now facing us all: the reconstruction of an economy that has been so severely damaged by the effects of the pandemic.

The best way forwards is to speed up the path we have already started and to work for a **green recovery**: placing the fight against the climate crisis at the core of the new economic model, relying on sustainable development and advancing in the decarbonisation of the economy, the drive for energy efficiency, the use of renewable energy sources for a fair and inclusive energy transition that best meets the needs of all citizens and protects the environment.

This does not mean losing resources but the exact opposite, **a powerful tool for the creation of employment and growth**. What is more, there can be no growth without sustainable development, so the road map of the 2030 Agenda signed by the United Nations in 2015 and the achievement of the Sustainable Development Goals are still fully valid.

We cannot turn back on this path, but instead move forward with even more impetus, in accordance with the wishes of a dozen European governments, including that of Spain, that the recovery from this crisis does not come at the expense of the Green Deal.

- **We are in the position to continue advancing.** The European Commission's Green Deal includes the ambitious but necessary goal of reaching climate neutrality in 2050, a target that is also one that the Integrated Energy and Climate Plan presented by Spain is working towards.
- **We have technological development** that enables us to achieve this goal at a much lower cost thanks to the progress made in recent times.

- We can also rely on the backing of **a society, in Spain, that is among the most aware** of the challenge that the climate crisis represents.

We are not starting from scratch, because we have already achieved much. Our company is a witness and a driver of change. There was a turning point in 2019 because, for the first time ever, the renewable energy installed capacity in the peninsula outperformed all the other technologies.

It was also a record year for CO2 emissions derived from electricity generation, which fell by 23% compared with the previous year. It is a most encouraging sign.

It is essential that we consolidate this paradigm shift. We have to rethink the grounds for our behaviour as a society and as individuals, because there is no aspect of our normal life that the consequences of this phenomenon will not affect. No citizen, institution, corporation or business can sidestep its responsibility for this global response.

At Red Eléctrica we are reaffirming our commitment to this new model

through the following aspects:

- A leading role in energy transition
- Guaranteeing a safe, efficient and sustainable power supply for everyone, with neutral management of the transmission grid.
- A benchmark operator of telecommunications infrastructure, a strategic element for society and future economic growth.
- The reduction of the digital divide, improving connectivity between people and easing access to information and communications technology
- Technological innovation to respond to present and future challenges.
- Protection and conservation of the environment, looking for solutions that generate the least impact or compensate it where possible.
- The contribution to community development through programmes of social collaboration and innovation, with a special focus on the rural environment.

We have been committed to progress, sustainable development and citizen welfare for 35 years.
Our mission will continue. The next 35 years await us.

Thank you very much.



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General Shareholder's Meeting 2020 – Chairwoman's speech

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