



# Supply Chain Policy

22<sup>nd</sup> June, 2021



**RED**  
ELÉCTRICA  
CORPORACIÓN



## PURPOSE

To establish the principles governing the supply chain to guarantee that the Red Eléctrica Group needs for goods and services are met with efficiency and quality and that they are focused on the commitment to contribute to a sustainable economic and social environmental development.

Supporting and complying with the principles contained in this Policy contribute to meeting the corporate goal, as well as to achieving the strategic objectives thereof, consistent with the values, principles and conduct guidelines set forth in the Code of Ethics and Conduct of the Red Eléctrica Group.

## SCOPE OF APPLICATION

This Policy is applicable to all companies in which the Red Eléctrica Group has a controlling interest. It is the responsibility of all the members of the Red Eléctrica Group to comply with this Policy in the exercise of their roles and responsibilities, and in all professional fields in which they represent the organisation.

In those investee companies in which the Red Eléctrica Group does not have effective control, principles consistent with those set forth in this Policy will be implemented.

## PRINCIPLES

- To promote best practices in the supply chain field and to encourage achieving the excellence pursued by the Red Eléctrica Group, by means of professionalism, integrity, innovation, transparency and free competition.
- To guarantee fair competition and equal treatment, non-discrimination, mutual recognition of enforceable technical, legal and administrative standards, and proportionality in the purchasing process.
- To guarantee an adequate segregation of managerial roles and transparency, in the interest of good governance and risk minimisation.
- To guarantee meeting the needs of goods and services with maximum efficiency, strictly complying with the obligations set forth in the agreements and the corresponding payments thereof.
- To apply fair criteria to determine the offered market prices for the acquisition of the necessary land to carry out the activities of the Group, weighing strategic or urgent reasons.
- To transfer to the supply chain the ethical values of respect, integrity and sustainability to which the Red Eléctrica Group committed in the responsible business model thereof.



- To undertake and ensure the suppliers of the Red Eléctrica Group comply with the business requirements and the technical standards set forth, as well as to incorporate responsible behaviours into their value chain in their relationship with the employees and contractors thereof, with the Group and with the environment set forth in the Supplier Code of Conduct.
- To promote strategic and continuous relationships with suppliers to obtain mutual benefit, guaranteeing the availability of effective channels of interaction.
- To promote efficient communication, collaborative environments and the progress of suppliers in those areas allowing them to grow to become strategic partners of the Red Eléctrica Group for the creation of value.
- To ensure quick risk identification and mitigation providing guarantee, agility and resilience to the supply chain.
- To promote continuous improvement in suppliers' performance by setting contracting mechanisms and enabling the appropriate communication channels to promote this practice.

This **Supply Chain Policy** was approved in its 2<sup>nd</sup> edition by the Executive Committee on 22<sup>nd</sup> June, 2021.