



PURPOSE

To establish the principles of sustainability, directing all activities towards a responsible business management model, focused on excellence, and creating value for stakeholders, while maximising their contribution to achieving the Sustainable Development Goals.

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 guarantee and promote exemplary behaviour through the adoption of the best corporate governance practices as well as transparency, integrity, and business ethics.
- To respect and promote internationally recognised human rights in the sphere of influence of the companies of the Group, acting with due diligence, adequately managing the impacts of its activity or the activities of those with whom it has a relationship and establishing mechanisms for appropriate repair.
- To strengthen people's talent, fostering their personal and professional development, as well as self-leadership, responsibility, proactivity, and decision-making in a safe and healthy work environment, while promoting diversity and equal opportunities as pillars of growth and social progress.
- To generate shared value with stakeholders to contribute to the development of a more prosperous and sustainable environment, collaborating with the communities and favouring the integration of the activities of the company in the territory.
- To promote effective relationship channels with stakeholders in order to achieve the response of the companies of the Group to their needs and expectations.



- To generate economic value for the company and for stakeholders by supporting economic sustainability, assuming sustainable financing principles, and fiscal responsibility practices.
- To encourage responsible management practices throughout the supply chain.
- To develop, through innovation, new ways of working, technologies and services that increase the efficiency and competitiveness of the Group, contributing to the social, economic, and environmental improvement of its surroundings.
- To maintain a firm and preventive commitment to the conservation and improvement of the natural environment, minimising the unwanted impacts of the activity, with special attention to the fight against climate change and the preservation of biodiversity.
- To ensure accountability to stakeholders, issuing reliable, rigorous, and relevant information, including that relating to compliance and progress in the commitments acquired by the Group in matters of sustainability.

GUIDELINES AND SPECIFIC ACTION CRITERIA

To achieve the principles of sustainability, the Red Eléctrica Group adopts the following guidelines and specific criteria for action:

- To ensure the supervision by the Board of Directors, through the Sustainability Committee, of compliance with the Group's policy on sustainability.
- To act in accordance with international standards of behaviour and comply with applicable laws and regulations, as well as with the commitments voluntarily assumed in the countries and territories in which the Group operates.
- To promote the development of a responsible business management model focused on the creation of value, aligned with the strategy of the company, through the definition of long-term objectives and the design of a multi-year plan that includes the framework for action in the medium term in terms of sustainability.
- To guarantee continuous improvement by systematically evaluating the degree of progress of the commitments, objectives and plans established, mainly by monitoring indicators, conducting internal and external audits, participating in external evaluations and analysing the risks, referring to the area of corporate responsibility management.
- To maintain an updated corporate stakeholder management model whose main elements are the identification of the different groups, the establishment and maintenance of effective channels of communication, participation and dialogue, and the fulfillment of the commitments assumed by each company with respect to its different stakeholders.
- To guarantee that the commitments acquired by the Group in matters of sustainability and the progress in these areas, are disseminated through reports in accordance with internationally recognised reporting frameworks, and externally verified by an independent third



party. The communication and disclosure practices of economic-financial, non-financial and corporate information will be guided by principles of transparency, quality, reliability, clarity, and integrity.

This **Sustainability Policy** was approved in its 3rd edition by the Board of Directors on 27th July, 2021.