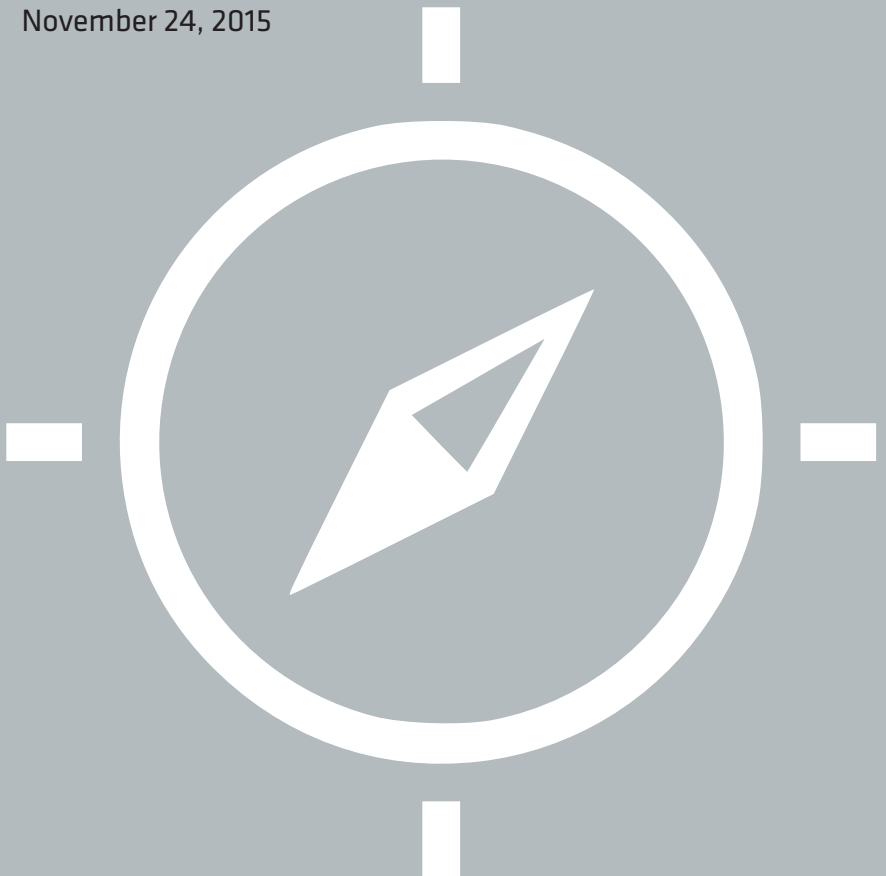




RED
ELÉCTRICA
CORPORACIÓN

Corporate Responsibility POLICY

November 24, 2015





Object

Establish the principles and guidelines on corporate responsibility matters, in order to guide activities towards a sustainable business management model, focused on creating value for stakeholders. These principles and guidelines shall lead to the fulfilment of the strategies and objectives of the Red Eléctrica Group.

Scope of application

The Red Eléctrica Group.

Basic principles and guidelines

- Apply the principles of excellence adopted by the Red Eléctrica Group, promoting best practices in the field of corporate responsibility.
- Ensure the economic sustainability of the Company in the medium to long-term, undertaking tax responsibility principles and ensuring the generation of economic value for the Group as a whole and for the stakeholder groups with which it interacts.
- Identify and adopt best corporate governance practices in order to promote transparency, integrity and business ethics, avoiding being involved in any form of corruption and acting according to the Code of Ethics.
- Respect and promote internationally recognized human rights in the sphere of influence of the companies of the Red Eléctrica Group, ensuring freedom of trade union membership, the right of association and collective bargaining, the absence of child labour, the elimination of forced or obligatory labour and any other practice that involves a violation of individual or collective dignity.
- Provide a safe and healthy working environment characterized by equal opportunities and non-discrimination, promotion of diversity, talent management and work-life balance.
- Promote sustainable development of the Group, boosting participation in communities, favouring the integration in the territory and contributing to social well-being in the territories in which the companies of the Group carry out their activities.
- Foster effective relationship channels with stakeholders with the aim of guiding the efforts of the companies of the Group to responding to the needs and to fulfilling the expectations of stakeholder groups and creating shared value.
- Apply corporate responsibility criteria in supply chain management and encourage responsible practices in suppliers of the Red Eléctrica Group.



- Maintain a firm commitment and of a preventive nature towards the conservation and enhancement of the natural environment, minimizing unwanted effects stemming from the Group's activities and with special attention to the fight against climate change and to biodiversity conservation.
- Ensure accountability to stakeholders, by providing reliable, accurate and relevant information in a transparent manner, including that related to the fulfilment of the commitments undertaken by the Group regarding corporate responsibility matters.

Specific principles of action

To achieve the specific corporate responsibility objectives indicated, the Company adopts the following specific principles of action:

- Act at all times in accordance with current legislation and the voluntary commitments undertaken in the countries and territories where the Red Eléctrica Group operates. Implement and maintain a legal compliance system to provide adequate response to legal requirements and those rules to which the Company is subjected, or those to which it voluntarily subjects itself to.
- Maintain an ethics management system, that sets out the set of corporate values and behavioural guidelines which guide and regulate the actions of the people in the Group; systems for the detection and handling of consultations and complaints; plans for dissemination and awareness-raising actions, and the supervisory body of the system.
- Support the undertaking of the Group in projects or initiatives of proven reputation and credibility, both domestically and internationally, aimed at sustainable development. Adopt and disseminate the principles arising out of these initiatives.
- Ensure that the Board of Directors carry out the approval, monitoring and supervision of the principles and guidelines contained in this policy.
- Drive the commitment to the development of a sustainable business management model focused on creating value through the implementation of a multi-annual plan that, integrated into the Company's strategic plan, defines and sets out the medium to long-term framework for action in corporate responsibility matters. Additionally, promote the development of this plan through annual programmes that implement ambitious projects in this field.
- Systematically assess the degree of progress of the commitments, goals and projects established. This assessment will principally be carried out through the monitoring of indicators, conducting internal and external audits, participation in external evaluations and via the analysis and assessment of risks, regarding those aspects pertaining to the scope of the corporate responsibility management system.
- Maintain and update a stakeholder management model that has as main elements the



identification of the different stakeholder groups, the establishment and maintenance of effective channels of communication, participation and dialogue, and the fulfilment of the commitments undertaken by the Company for each stakeholder group.

- Disseminate the commitments undertaken by the Group regarding corporate responsibility and its monitoring and assessment by means of annual reports or specific reports in accordance with commonly accepted methodologies and submit this information to independent external verification. The practices regarding the communication and disclosure of information both in the scope of corporate responsibility as well as that arising from the Group's activities shall be guided by values of transparency, opportunity, relevance and responsibility.

This **Corporate Responsibility Policy** was approved by the Board of Directors on November 24, 2015.