



LETTER FROM THE CHAIRMAN AND THE CHIEF EXECUTIVE OFFICER



KEY PERFORMANCE INDICATORS



01. THE COMPANY



02. STRATEGY



03. CORPORATE GOVERNANCE



04. MANAGEMENT APPROACH



05. SUSTAINABLE ENERGY



06. CREATION OF VALUE



07. EMPLOYEES



08. SOCIETY



09. DIALOGUE WITH STAKEHOLDERS



10. THE ENVIRONMENT



ANNEXES

EMPLOYEES

07

Connected to equality, talent, the security and well-being of employees





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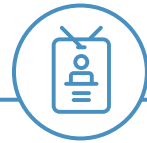
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CORNERSTONES OF OUR COMMITMENT TO EMPLOYEES



Constant backing for a qualified, motivated and committed team



STABLE AND QUALITY EMPLOYMENT

Our commitment: internal employability of people during their time as an employee through the integration, development and mobility programmes.

99.9% permanent contracts

80% of new directors via internal promotion



HEALTHY WORKPLACE

Our objective is the continued and progressive improvement in the levels of occupational health and safety which is understood as physical, psychological and social well-being.

AENOR Healthy Workplace Certification

5,850 hours of occupational health and safety training

WORKING CLIMATE SURVEY



EMPLOYEE SATISFACTION

9.4
OUT OF 10
91% TOOK PART



TALENT MANAGEMENT

The training and development of Red Eléctrica staff is integrated under a global talent management model.

170,436 hours of training [G4-LA9]

More than 97,000 hours of training to improve employability [G4-LA10]



DIVERSITY AND INCLUSION

Increase of women on the workforce and in management positions, and the establishment of a model and an action plan for the inclusion of people with disabilities.

20.2% of women in management positions. +4.3% compared to 2014

2.54% of people with a disability [includes workforce and LGD agreements]



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Stability and quality of employment (G4-DMA)

The Human Resources Director Plan linked to the Strategic Plan of the Company and the Corporate Responsibility Plan, facilitates the achievement of business goals within an environment of commitment and good social climate.

Within the framework of the Human Resources Director Plan initiated in 2014, during this fiscal year the training model was launched along with plans for leadership and individual development, renewal of all human resources processes,

the model and guidebook regarding the knowledge management model and the model and disability management action plan and a management model that allows the impact of an ageing workforce in different areas of the Company to be assessed.

Also in 2015, Red Eléctrica continued to strengthen its commitment to leadership in occupational health and safety and in November obtained the AENOR Healthy Workplace Certification.

In order to respond to a changing and complex environment and based on the Strategic Plan of the Company, in 2015, a thorough review of the organisation of the Red Eléctrica Group was conducted.

The alignment of human resource policies in the different companies of the Group in 2015, will allow work to take place under a common model while performance indicators are gauged, assessed and defined, and products and service levels agreed on.

PRINCIPLES OF THE HUMAN RESOURCES DIRECTOR PLAN



Efficiency

Equal opportunities

Work-life balance

Respect for diversity

Fair and personalised treatment for all professionals

FIXED CONTRACTS



WITHIN THE WORKFORCE

99.9

%

Out of a total of 1,697 employees



RECOGNITIONS

Red Eléctrica obtained the maximum score [100 out of 100] for the 'Attracting and Retaining Talent' criteria of the Dow Jones Sustainability Index 2015, and occupies 21st position in the mercoTALENTO 2015 and 29th position in the Universum ranking.



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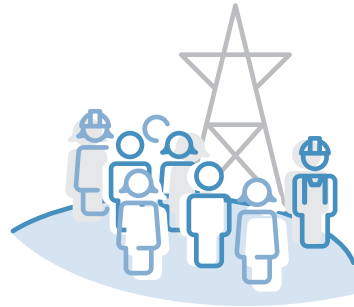
A STABLE, COMMITTED AND HIGHLY QUALIFIED WORKFORCE [G4-LA1]

Red Eléctrica by the end of 2015, had a team of 1,697 professionals, an increase of 0.9% compared to 2014. At a Group level, the workforce, as at 31 December, stood at 1,763.

Our commitment towards creating stable employment is reflected in the percentage of workers on permanent contracts, which stands at 99.9%, as well as through the boosting of internal promotion.

Of the 20 appointments that took place during 2015 in the management team of the Group, 80% were internal promotions.

External turnover stood at 2.1%, which is above the target of 1% set for 2015.



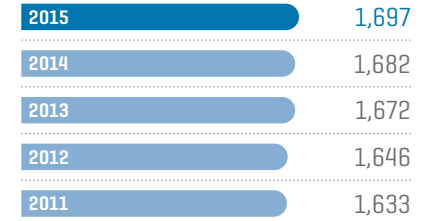
KEY EMPLOYMENT INDICATORS [1]

[G4-LA1, G4-LA12]

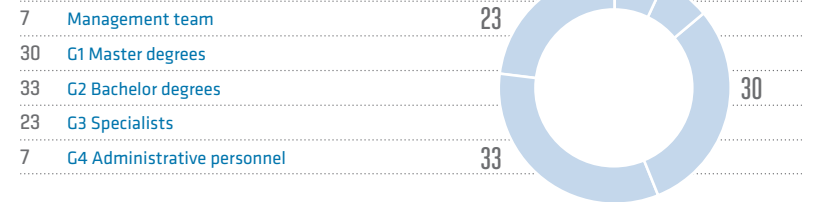
	2013	2014	2015
Total workforce	1,672	1,682	1,697
Women [%]	23.1	22.8	23.1
Men [%]	76.9	77.2	76.9
Women in management positions [%]	19.7	19.3	20.2
People with some type of disability [%]	0.7	0.7	0.8
Creation of net employment [N° of job positions]	26	10	15
Average age	43	43	44
Average length of service [years]	13	14	15
Undesired external turnover [%]	0.4	0.9	1.6
Total turnover [%]	1.0	1.2	2.1
Permanent contracts [%]	99.8	99.4	99.9

[1] Data regarding Red Eléctrica de España + Red Eléctrica Corporación

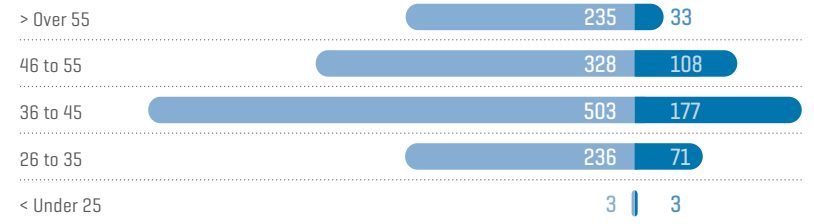
WORKFORCE EVOLUTION



WORKFORCE STRUCTURE BY PROFESSIONAL GROUP



WORKFORCE DISTRIBUTION BY AGE AND GENDER



Data REE + REC.



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COMPENSATION AND REMUNERATION

Red Eléctrica works with a comprehensive remuneration and reward model that responds to the fulfilment of the following principles:

- **Equality** and non-discrimination.
- Attract and **motivate** people.
- Internally **fair and equitable**.
- Externally **competitive**.
- Recognition and respect for **diversity**.
- Foster **career development** and the spirit of excellence.

On this basis, the remuneration model of Red Eléctrica for employees included in the collective bargaining agreement is composed of monetary elements: fixed remuneration, within broad salary bands, and a special bonus scheme that recognises outstanding contributions.



REMUNERATION MODEL



10th COLLECTIVE BARGAINING AGREEMENT

MONETARY AND NON-MONETARY ELEMENTS

Increases no longer linked to CPI and linked to objectives

Additionally, it provides benefits in kind (non-monetary), adapted to the personal circumstances and preferences of employees: health insurance, pension plans, life insurance, public transportation card, luncheon vouchers and childcare vouchers. Salary increases, in addition to updates agreed in the Collective bargaining agreement, are linked to results.

In this regard, Red Eléctrica's 10th Collective bargaining agreement guarantees the development of the remuneration model to unlink salary increases from the Consumer Price Index (CPI), linking it instead to internal productivity based on the fulfilment of management objectives and productivity.

For the management personnel a new model has been implemented incorporating the special characteristics of Red Eléctrica and the principles of internal equity and competitiveness. The annual variable remuneration values the contribution to the achievement of individual

objectives related to economic, efficiency, quality variables, and those of management, such as safety and corporate responsibility. Within this model a deferred variable remuneration for senior management has been incorporated.

In addition, the compensation package is complemented by non-monetary items such as health insurance, a pension plan, life insurance and, in 2015, the option of an electric vehicle was incorporated in alignment with the sustainability policy of the Company.

The financial remuneration of new hires is established depending on the training and experience provided within the previous scheme. These criteria are applied equally to both men and women.



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Diversity and inclusion (G4-DMA)

Diversity favours the creation of an inclusive company based on equality, adaptation to change, innovation and talent management. The commitment to diversity and inclusion are part of the culture of Red Eléctrica, being integrated into the Code of Ethics and internal policies of the Company. The objective is to create business strategies for individuals and their social, professional and personal development, addressing cultural barriers and stereotypes that

respond to factors such as age, gender or disability.

In 2015, noteworthy was the approval by the Management Committee of the ageing workforce management model and an associated action plan to perform a comprehensive management of ageing in the workforce that is sustainable, transversal and integrated into the Company strategy.

The commitment to diversity and inclusion are part of Red Eléctrica's corporate culture.

Cornerstones for action on diversity and inclusion

- Equal Opportunities in employment.
- Promotion of women into positions of responsibility.
- Protection against gender-based violence.
- Protection against moral, sexual and gender-based harassment.
- Coexistence between generations and adapting to change.
- Inclusion of professionals with disabilities.
- Integration of people at risk of social exclusion.



WOMEN ON THE WORKFORCE



23.1 %

+2.1%
Compared to 2014



MANAGEMENT OF AN AGEING WORKFORCE

In 2015, the Management Committee of the Company approved the model and an associated action plan for the comprehensive management of ageing in the workforce.



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GENDER EQUALITY AND EQUAL OPPORTUNITIES [G4-DMA]

Red Eléctrica has had an Equality Plan since 2009, developed jointly with the Social Representation, which includes actions to promote effective equality between men and women in the areas of employment (selection, promotion and recruitment), training and development, remuneration, as well as activities geared towards raising awareness across the workforce.

During 2015, noteworthy is the increase in the number of women on the workforce and in managerial positions, as well as the setting up of

EVOLUTION OF WOMEN ON THE WORKFORCE

Nº

2015	392
2014	384
2013	386
2012	373
2011	370

WOMAN IN MANAGEMENT POSITIONS



20.2 %

+4.3% Compared to 2014



WOMEN'S LEADERSHIP OBSERVATORY

Set up in 2015 with the aim of proposing actions to increase the presence of women in management positions.

REE renews the 'Equality in the company' Seal awarded by the Ministry of Health, Social Services and Equality.

a Women's Leadership Observatory that aims to propose actions to increase the presence of women in management positions.

As a result of the actions carried out and Red Eléctrica's commitment for the promotion of women to positions traditionally filled by men, 31% of internal promotions to management positions that have been filled in 2015 were filled by women. Also, in this fiscal year the first two female specialist technicians in substation maintenance joined the workforce.

The indicator that measures equal opportunities for promotions (men/women) stood at 1.2 exceeding the target of 1.3 set for 2015.

Red Eléctrica also supports initiatives that promote the role of women in positions of responsibility such as the 'Promociona' Project which involved three female directors of the Company, two of them were promoted to positions of greater responsibility. The project, promoted by the Ministry of Health, Social Services and Equality has

EVOLUTION OF WOMEN IN MANAGEMENT POSITIONS

%

2015	20.2
2014	19.3
2013	19.7
2012	19.4
2011	17.6



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the support of the CEOE, it is EU-funded and has been developed at the ESADE Business School.

The equality dashboard, designed in 2014, is enabling us to carry out an analysis and make decisions so as to advance in the field of equality.

Adherence to initiatives and agreements with the Ministry of Health, Social Services and Equality

- Agreement to promote balanced participation of women and men on boards of directors.
- Agreement to increase the presence of women in management and in management committee positions.
- Collaboration agreement 'Company Networks for a society free of gender-based violence'.
- Participation in the 'Promociona' Project which promotes training and professional development as a strategy for women's access into leadership positions.

Red Eléctrica has approved a model and an action plan acción for the inclusion of people with disabilities.

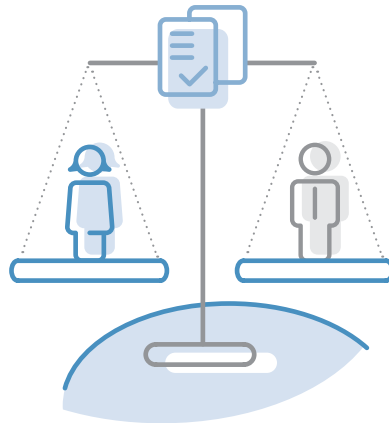
INCLUSION OF PEOPLE WITH DISABILITIES

Red Eléctrica has given a new boost to its strategy of inclusion of professionals with disabilities with the approval of a management model and the associated action plan for its deployment. This model, approved by the Management Committee in

early 2015, was developed jointly with the Adecco Foundation and the involvement of nine strategic areas of the Company.

The action plan is divided into six operating areas of action:

1. **Strategy** and identity.
2. **Compliance** with the Disability Act.
3. Cultural **Change**.
4. **Standardisation** of disability.
5. Inclusive **selection process**.
6. **Social Action** (inclusion of people with disabilities at risk of social exclusion).



PEOPLE WITH DISABILITIES



2.5 %

Includes people on the workforce and via LGD agreements



6,230

Jobs were generated for people with disabilities through the project 'Empleo Para Todos' ('Jobs For All') of the Adecco Foundation, which was supported by Red Eléctrica.



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Main actions 2015

THE GENERATION OF EMPLOYMENT

The procurement of goods and services offered by Special Employment Centres for an amount of 400,000 euros, equivalent to hiring 21 people, and support for the 2020 Plan: 'Empleo Para Todos' ('Jobs For All') of the Adecco Foundation, through which 6,230 jobs have been generated for people with disabilities, or at risk of exclusion.

PLAN FAMILIA

Eight employees of Red Eléctrica are benefiting from this initiative through which family members with disabilities receive care and professional assistance from the earliest ages to support their social and labour integration.

PLAN AFLORA

Support for employees likely to obtain the disability certificate providing information on the benefits and social and corporate benefits involved plus assisting in the application processing to obtain it.

UNIDOS PROJECT

Collaboration on this Adecco Foundation project in which universities and companies join together knowledge, resources and experience to accompany, guide and prepare college students with disabilities during their academic stage and for their access to the labour market. In 2015, 26 companies and 9 universities participated in this project and 42 university students with disabilities benefited from it.

AWARENESS TRAINING SESSIONS

Geared towards the management team and all staff in order to formalise the Company's commitment; to inform and transfer the responsibility to all managers and to involve all employees of the Company in the project.

COMMUNICATION CAMPAIGNS

Support for the calendar '3,285 days to be happy', developed by the Adecco Foundation, and the #Reacciona awareness campaign launched to celebrate the International Day of People with Disability and oriented to challenge overprotection, prejudice and discrimination which people with disabilities have to face in companies.

Key objectives 2016

COMMITMENT AND LEADERSHIP

Communication plan and corporate dialogue regarding disability.

- Define, position and transfer vertically Red Eléctrica's commitment to disability throughout the entire organisation.
- Train, raise awareness and transfer the joint responsibility to the leaders of Red Eléctrica regarding the values and mission of the Company on disability.

DISABILITY CULTURE

Disability training for strategic areas of the Company with the aim of:

- Instilling the principles of diversity and inclusion through a strategy of communication and dialogue with Red Eléctrica's stakeholders.
- Standardise disabilities through training, awareness and adaptation of business processes that favour the corporate identification and elimination of barriers.
- Reinforce the identity and values of the Company by sharing, involving and making all people employed by Red Eléctrica jointly responsible.

SUPPORT FOR EMPLOYEES

Care programme for employees or family members with disabilities.

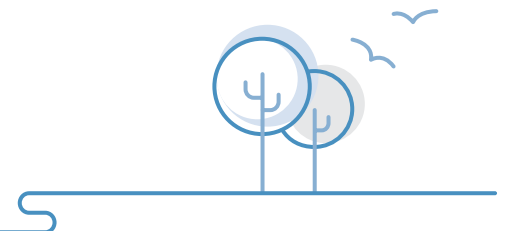
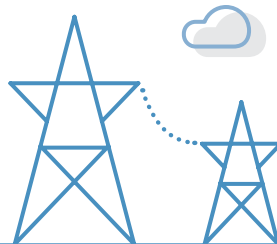
- Selection and integration. Training on disability for those responsible of the process for the selection and incorporation of new employees. Integration into the Company's selection plan of recruitment sources specialized in the inclusion of professionals with disabilities.

IMPROVING EMPLOYABILITY OF PEOPLE WITH DISABILITIES

Awareness, education and guidance for this group at different stages of their development. Unidos Project. 'RedesParaElEmpleo' Project.

GENERATION OF EMPLOYMENT

Support Plan 2020: 'Empleo Para Todos' ('Jobs For All') of the Adecco Foundation in the communities in which Red Eléctrica's facilities are present.





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Talent management (G4-DMA, G4-LA10)

Training and development of people in Red Eléctrica are integrated under a global talent management model. Thus, the attraction, training and development of people, knowledge management, the identification and development of talent, are part of the same process, resulting in greater efficiency and quality in response to the Strategic Plan of the Company.

This model, approved by the Management Committee in 2014 and which has been made known to

all staff through various channels, facilitates the construction of various itineraries on which to base the development of people.

KNOWLEDGE MANAGEMENT AND LEADERSHIP MODEL

The **knowledge management** model and the leadership model, are key elements in managing talent because they facilitate the transfer of key knowledge regarding the Company and promote the involvement of the leader to support learning, encourage knowledge

sharing of its collaborators and acquire the commitment to the development of their teams.

Under the leadership model two programmes have been developed: Bank of Potential and LideraT that pursue the development of managerial skills required to achieve a style of leadership that is flexible and agile geared to the creation of collaborative and participative environments.

Almost 3,000 hours of training for managers to develop skills, values and leadership styles.

THE BANK OF POTENTIAL



HAS COVERED

75

%

OF DIRECTOR POSITIONS IN 2015



KNOWLEDGE MANAGEMENT MODEL

Is accompanied with a guide that provides methodological and practical support and an action plan that begins in 2016.



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In 2015, 33% of head of department positions and 75% of director positions have been filled with people included in the Bank of Potential programmes of the Company.

Additionally, Red Eléctrica's knowledge management model was developed, accompanied by a guide that provides methodological and practical support which includes: definition of the objectives, methodology and description of twenty associated knowledge management tools. The model has been completed with the design and approval of a plan of action that begins in 2016.

LEARNING STRATEGY

A key element in the new talent management model is a learning strategy that acts as a reference in the construction of training and development programmes.

DATA REGARDING TRAINING



AVERAGE NUMBER OF HOURS OF TRAINING PER EMPLOYEE

100 HOURS

[170,436] Total hours



INVESTMENT

3,984 EUROS per employee

The various programmes are grouped into four areas: technical training, skills development, corporate education and training aimed at specific groups.

The methodology used in all training activities is based on the 70-20-10 model and incorporates significant technological advances and also has a virtual classroom, Aul@REE, for online training.

MODEL 70-20-10

ON THE JOB TRAINING 70%



OTHER TYPES OF TRAINING 20%



FORMAL TRAINING 10%

ECRE, Red Eléctrica's Corporate School

The Red Eléctrica Corporate School (ECRE), facilitates the global framework for the development of training that is tailored to the needs of the Company and its employees. The school backs the use of new technologies with a strong investment in equipment designed for practical learning for advanced-level training and knowledge transfer through internal teachers and experts. In 2015, an extensive renovation process began to give greater support to the global

talent management model, including, in addition to technical training, training in values, knowledge management, innovation and leadership.

Without neglecting presence training, the practical learning was promoted. Knowledge transfer is the key to this ongoing process where internal experts are essential.



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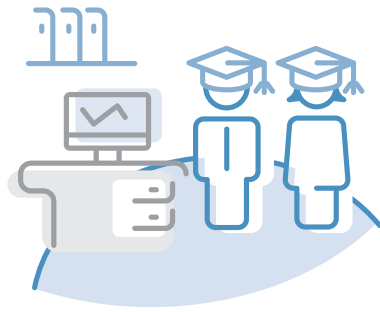
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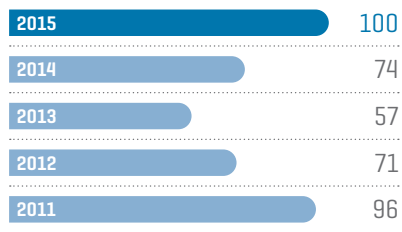


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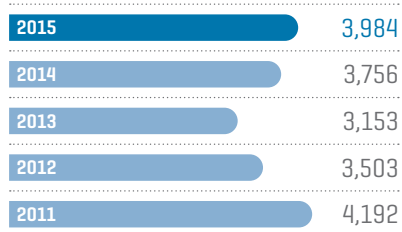


Red Eléctrica has a training evaluation system that will reveal the impact of the training actions and calculate the return on investment (ROI) in training.

AVERAGE NUMBER OF HOURS OF TRAINING PER EMPLOYEE h



INVESTMENT IN TRAINING PER EMPLOYEE €



In 2015, more than 170,436 hours of training were given, which meant an average of 100 hours per employee and an investment of 3,984 euros per employee. 23% of training hours were given using in-house resources. [G4-LA9]

The learning strategy has a training evaluation system, improved during 2015, which will help reveal the impact of the training actions, which will result in the improvement of the quality of said actions. The evaluation

system includes different levels: satisfaction with training, applying the knowledge acquired, and the impact of training.

The development of this system will culminate in the calculation of the return on investment (ROI) for training.

PROGRAMS THAT PROMOTE TALENT IN REE



TECHNICAL TRAINING

Programmes: CapaciTA, THabla, AseguraT, NaTura. Theoretical and practical aspects that you need to know to work in each business unit, as well as training in processes and procedures, languages, safety and the environment.

SKILLS DEVELOPMENT

Skills required to perform the role of each employee in the Company and that are enhanced in performance evaluations.

CORPORATE TRAINING

Actions and training programmes that are transversal to the Company: corporate responsibility, work-life balance, criminal risks, equality and quality.

TRAINING FOR THE DEVELOPMENT OF SPECIFIC TARGET GROUPS

Programmes: InTegra, Enlace, Mobility, RED Experts, Bank of Potential, LideraT, Practica. Newly incorporated people, experts/staff with high-potential, management team.



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PERFORMANCE APPRAISAL AND MANAGEMENT [G4-LA11]

In Red Eléctrica all employees are evaluated annually based on competence, commitment and contribution. The evaluation model is geared towards facilitating development and the professional career of employees and to manage efficiently their performance. Since 2012, the opinion of those who evaluate and those evaluated is collated for the analysis and review of the model.

During 2015, this has included the evaluation of digital skills for all employees in order to support the digital transformation in the Company. The multi-source assessment of the management team has also been expanded, including the collateral appraisal by process.

IMPROVEMENT OF EMPLOYABILITY



300 COURSES

And more than 97,000 hours



MOBILITY PLAN FUNCTIONAL

In 2015, this plan has developed 36 transversal mobility projects and 6 international mobility projects with European companies in the sector.

The evaluation of digital skills, included since 2015 in the annual assessment of employees' competencies and commitment, will support the digital transformation in the company.

In Red Eléctrica there are three possible levels of career progression for each person according to their maturity, knowledge and work experience. The system provides real options for development and evolution from a professional and economic standpoint. In parallel, the organisation also enables the technical professional career as an alternative to management progression. The Functional Mobility Plan facilitates this transversal development.

Thus, in 2015, 36 mobility projects of a transversal nature were developed with the aim of enhancing versatility and employability, as

well as 6 international mobility projects for developing people and exchanging knowledge with European companies in the sector.

Also in 2015, the induction process of new personnel was reviewed, making a special effort to promote and strengthen the role of the mentor, as well as to raise the awareness of those people responsible for the units regarding the importance of this phase in the life cycle of personnel.



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09. DIALOGUE WITH STAKEHOLDERS



10. THE ENVIRONMENT



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COOPERATION WITH THE EDUCATION SECTOR [G4-LA10]

Red Eléctrica maintains its commitment to the practical training of young people through the fourth edition of 'Practica +' scholarship program that benefited 112 new graduates in 2015.

Also during this year, 8 students from universities and 5 students of vocational training centres carried out their external academic practices in Red Eléctrica.

To boost cooperation with this sector, a comprehensive program has been designed that allows

access to practical training both for students and for new graduates from universities or from vocational training, whereby expanding the cooperative scope and facilitating the promotion of various projects.

Main actions 2015

LEADERSHIP MODEL

- A development programme has been designed and implemented to deploy the Red Eléctrica leadership model from four training spaces that can be accessed by 100% of managers to develop skills, values and leadership styles. In 2015, almost 3,000 hours of training in leadership were given.
- A process was designed for the integration and transition of management to ensure the continuity and consolidation of the leadership model throughout 2016.

TRAINING AND DEVELOPMENT

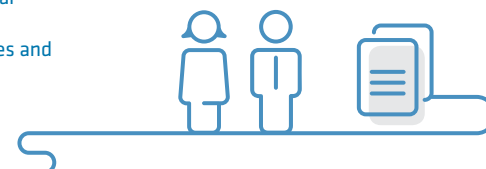
- Completion of the mass certification of SF6 gas recovery units in accordance with RD 795/2010.
- Training of new telecommunications operators in Red Eléctrica for the dark fibre acquired from ADIF.
- Practical advanced training on protection systems.
- Implementation of six training itineraries for skills that deal with improved results in the appraisal of employees. In these first editions 170 people have been trained,

with a Blended Learning methodology (physical and virtual).

- Development of the first part of 'Experts in RED' programme, with 1,200 hours of training, aimed at all professional experts encompassed within the higher progression level, so they can share their knowledge, teaching them digital techniques, mentoring techniques and enabling them to be internal instructors.
- 300 courses and more than 97,000 hours of training to favour the employability of workers in technical areas, languages and competencies and skills not directly related to the functions and duties of the job position. [G4-LA9]
- 300 hours of training in corporate responsibility, which includes aspects of human rights, in which experts, management team and new incorporations to the Company took part. [G4-LA9]

Main objectives 2016

- Support changes in the organisational structure within the leadership model, carrying out the actions associated with the process of integration and transition of managers in Red Eléctrica.
- Carry out the actions included in the Plan for the deployment of the knowledge management model.
- Implement the new the new induction and integration Plan, encouraging innovation and new technological resources.
- Promote ECRE as a conduit of the strategy of the Company, taking advantage of the possibilities of the new facilities.
- Encourage the use of technological innovation for training: the design of simulators, new virtual courses, videoing sequences of operational techniques for consultation.
- Analyse different ways of hands-on working with students from vocational schools, promoting a system of cooperation with government agencies and educational areas.
- Train maintenance staff from the Company to perform the local operation activity of substations.
- Implement the training evaluation system and ROI calculation.
- Understand the motivations and professional interests of employees of Red Eléctrica to facilitate their employability and promote mobility.
- Continue to promote the mobility model, proposing functional rotation criteria and annual rotation ratios to be achieved.
- Implement the relational framework established for the companies of the Group in the field of talent management with the subsidiaries in Latin America.





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Dialogue and transparency

Internal communication is an essential tool for achieving the goals of Red Eléctrica, and actively contributes to achieving the changes that the Company proposes, with the involvement of its professionals.

In order to facilitate and stimulate dialogue, the new miRED intranet, the newest development regarding internal communication channels, supports the commitment for a shared communication between all organisational units and provides collaborative spaces that allow

people to connect and facilitates dialogue.

In parallel, the analysis and diagnosis to manage the employee voice was carried out, as a bidirectional channel of the human resources area with the rest of the organisation, geared towards ensuring continuous improvement and excellence in management.

Similarly, face-to-face communication actions have continued to be conducted for the

dissemination of strategies, policies and objectives that have had the commitment of the management team. In this regard, noteworthy in 2015 was the fact that their role as communicators of leadership goals has been linked to variable remuneration.

Convinced that the opinion of employees is essential in the shared business project, in the first quarter of 2015 Red Eléctrica launched a new edition of the climate survey, which highlighted the high participation of 91%, demonstrating the great employee interest in this consultation.

The results were communicated to employees by the management team and work is being carried out on action plans derived from the results. Individualised plans have been defined for the units concerned and corporate action plans to enhance those results that did not reach the expected level.

RESULTS OF THE climate survey 2015 (Rating between 0 and 10)



mi RED NEW INTRANET



INTERNAL COMMUNICATION CHANNEL

Collaborative space



THE EMPLOYEE VOICE

Bidirectional channel area of human resources with all units of the Group, aimed at ongoing improvement and excellence in management.



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Main actions 2015

DIRECT COMMUNICATION ACTIONS

Code of Ethics, Healthy Workplace Model, Corporate Responsibility, IT Security, CARS Project (Safe Responsible and Agile Driving) and results of the climate survey.

SOCIAL PLAN

Taking advantage of the 30th anniversary of Red Eléctrica, numerous actions were carried out within the Social Plan, such as the 14th edition of the painting competition for employees' children, the 24th edition of the photography contest, the 1st competition of short stories and the launch of the 'Corriente Positiva' cultural programme.

EMPLOYEE CHANNEL

Almost 9,000 requests for information were managed through a service managed by the *Fundación Juan XXII*, a foundation that works with people with disabilities.

SOCIAL PLAN



FIRST COMPETITION OF SHORT STORIES

One of the many actions undertaken in 2015



9,000

requests for information were managed in 2015 through an employee channel managed by the *Fundación Juan XXII*, a foundation that works with people with disabilities.

Internal communication is an essential tool that actively contributes to achieving the changes proposed by the Company, with the involvement of its professionals.

Main objectives 2016

- Support and monitoring of action plans resulting from the 2015 climate survey to work on aspects for the improvement and consolidation of the strengths identified.
- Development of transversal communication and personalised plans that promote knowledge of all areas and expand the business vision.
- Implementation of the second phase of the miRED intranet with collaborative tools that enable multidirectional communication, encourage participation and facilitate knowledge management and information agility.
- Implementation of the 'employee voice' as a bidirectional channel for human resources with all units of the Red Eléctrica Group.
- Expansion of cultural activities of the Social Plan aimed at the participation and integration of employees, and raise awareness on issues of sectoral, social and environmental interest.
- Implementation of an internal communication model that facilitates the planning and the effective implementation of communication actions within the Company.



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Social dialogue [G4-DMA, G4-LA4, EU15]

Red Eléctrica de España guarantees its employees the right to union affiliation, association and collective bargaining within the framework of existing labour laws and the collective bargaining agreement.

The 10th Collective Bargaining Agreement of the Company came into force on 1 May 2014 and shall remain in force until 31 December 2017. This agreement was approved by the entire union representation (SIE, CCOO and UGT) and was endorsed by 82.74% of the workforce.

During 2015, the 10th Collective Bargaining Agreement was implemented taking into account its inspiring principles: efficiency and productivity, flexibility and sustainability. In 2015, noteworthy were the following aspects:

Measures linked to flexibility: the adaptation of timetables to the needs of the service and seeking working times that are more effective and efficient. Worth noting in this regard was the new working timetable for office staff:

- Based on 7 hours per day from Monday to Friday.
- Programming of 35 afternoons, in two-hour blocks, available to the management team based on the needs of the department.
- Number of remaining hours -in order to complete the annual schedule of 1,690 effective hours- to be managed by the employee in blocks of 30 minutes as a minimum or a maximum of 2 hours.
- Flexibility in starting times is available (up to an hour and a half) and leaving times, to facilitate the management of working time.

- Reduction of 10 hours in the annual effective schedule which is now currently fixed at 1,690 hours.

Following the implementation of these measures, the number of employees with reduced working hours for childcare has been reduced by almost 50%.

Measures linked to efficiency and productivity: updating salaries linked to the fulfilment of management objectives and productivity of the country (GDP). The updating of salary concepts, according to Article 36 of the 10th Collective Bargaining Agreement of Red Eléctrica, was reflected in the April 2015 payroll on a retroactive basis from 1 January 2014. In the update, an increase of 2.29% was applied.

WORKING FLEXIBILITY



ANNUAL WORK SCHEDULE

1,690 HOURS

After being reduced by 10 hours in 2014, through the signing of the 10th Collective Bargaining Agreement



THE 10TH COLLECTIVE BARGAINING AGREEMENT

Came into force in 2014 and was endorsed by 82.74% of the workforce. In 2015, this was implemented following the principles of efficiency, productivity, flexibility and sustainability.

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Measures linked to the sustainability and flexibility:

the 10th Collective Bargaining Agreement incorporates new work-life balance measures such as 15 hours paid leave to accompany family members of first degree of consanguinity or affinity on medical appointments.

The Agreement covers virtually all of the workforce (98.79%). Excluded from the scope are the management team and employees who voluntarily and reversibly accept the proposal from the Company for exclusion from the Agreement. However, social agreements are of universal application.

The 10th Agreement provides different channels of communication

COLLECTIVE BARGAINING AGREEMENT



98.97

%

COVERED BY
THE AGREEMENT

The 10th Collective Bargaining Agreement foresees **different communication channels** between the Company and employees, which has resulted in 14 meetings in 2015.

with social representation. 14 meetings were held in 2015 through these channels.

COMPANY-EMPLOYEE COMMUNICATION CHANNELS

- **Job classification** commission.
- **Training** commission.
- **Occupational Health and Safety** Committee. [G4-LA8]
- **Inter-work centre** committee.
- Joint commission on **social affairs**.
- Joint commission on **monitoring and interpretation**.
- Joint commission for **staff of transmission** grid facilities.
- Joint commission on **equality**.
- **Geographical mobility** commission.

Notification of organisational changes is carried out pursuant to current legislation [Royal Decree 2/2015, Articles 39, 40 and 41].

The organisational changes involving geographical mobility of workers are made with thirty days' notice, for both the worker and the social representation. In all cases, a consultation process is carried out.

As for substantial modifications to the employment contract, in the case of changes to an employee's contract, these will be notified fifteen days in advance to both the affected worker and representatives. If it concerns collective changes, a consultation period will be opened with legal representatives which may be replaced by a mediation or arbitration procedure.

Main objectives 2016

In 2016, work will continue on implementing the measures already underway, seeking the full achievement of the objectives for which they were drawn up and adopted:

- **Quest for excellence.**
- **Link to the values of the organisation.**
- **Take into consideration the needs and expectations of employees.**
- **Efficient management.**
- **Fostering responsibility.**
- **Promoting a culture of collaboration.**



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A healthy workplace [G4-DMA]

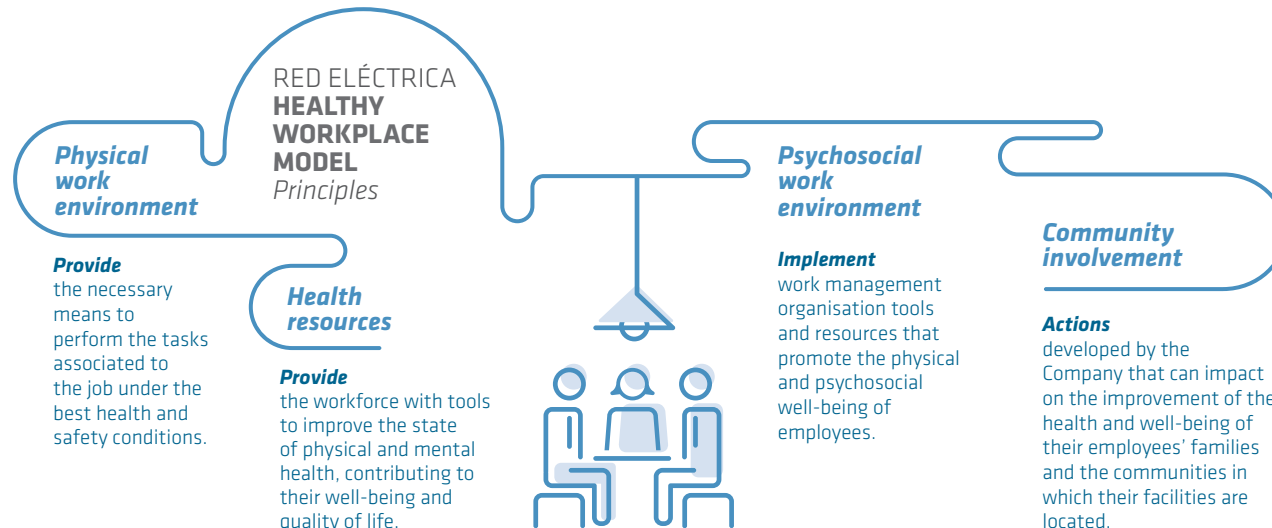
The healthy workplace model, approved by management in 2014, sets out the principles and guidelines for the management, promotion and monitoring of the health of people that make up Red Eléctrica. It is a strategic commitment as set out in the Code of Ethics, the Corporate Responsibility Policy, the Human Resources Policy and the adherence to the Luxembourg Declaration.

It is also a commitment to leadership, as health and safety is part of the management team's management objectives.

In the first half of 2015, the model was implemented and the Healthy Workplace Manual was approved, a policy document that outlines the management system, establishes the principles, the general guidelines and responsibilities as well as the

associated regulations to carry out the management of well-being in the workplace. Moreover, a communication plan regarding the model has been developed for the entire workforce.

The healthy workplace model has received the approval of employees with a rating of 8.7 out of 10 in the latest climate survey.



HEALTHY WORKPLACE MODEL



MANAGEMENT, PROMOTION AND MONITORING OF HEALTH

Of Red Eléctrica employees



RECOGNITIONS

Healthy Workplace Certification awarded by AENOR [Spanish Association for Standardisation and Certification]. OHSAS 18001 Audit .



In the 'People' subsection of the 'Sustainability' section of the corporate website.



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HEALTH PROMOTION

Among the many actions carried out in the field of health promotion, noteworthy is the Cardiovascular Health Plan, participation in the PECS programme (Healthy Heart Programme for Companies) and the Plan for musculoskeletal injury prevention with workshops in various work centres.

Similarly, projects were carried out to promote physical activity, such as holding Sports Days or the awareness project for the management team through their participation in a physical activity and health study in collaboration with the University of Castilla La Mancha, which also promotes other corporate values.

MANAGEMENT OF AN AGEING WORKFORCE

In order to respond to the commitment of the Company with generational diversity, in 2015 the management model for an ageing workforce and an associated action plan were approved.

HEALTHY WORKPLACE



8.7

EMPLOYEE EVALUATION

In the climate survey



MODEL FOR THE MANAGEMENT OF AN AGEING WORKFORCE

Assesses the impact of ageing in different areas of the Company to achieve a comprehensive, global, sustainable and transversal management model of the workforce.

In the first phase a demographic study was conducted of the workforce and its future projection, as well as an analysis of risks associated with age, in order to assess the impact of an ageing workforce in different areas of the Company. This study constitutes the basis for establishing a comprehensive, global, sustainable and transversal management model, which incorporated into the Company strategy and with the strong support of senior management, seeks the ongoing improvement in the management of the ageing workforce by undertaking a transversal approach from all areas of human resources, with the consultation and participation of the business units.

Within the framework of a healthy workplace, this model will contribute to reaching old age in better health, get people working in jobs according to their abilities, while maintaining the best motivation to continue their professional development and pass on knowledge to younger people.

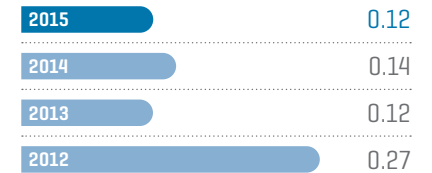
PHYSICAL WORK ENVIRONMENT

For Red Eléctrica the reduction of labour-related accidents is a priority as well as the continuous and progressive improvement in the health and safety levels of its employees and the employees of suppliers who collaborate or work on the Company's premises.

SEVERITY RATE

EMPLOYEES [G4-LA6]

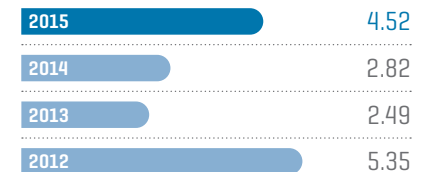
> OBJECTIVE 2015: 0.9



FREQUENCY RATE

EMPLOYEES [G4-LA6]

> OBJECTIVE 2015: 4





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In terms of risk prevention, continuous monitoring of the work and activities of higher risk through inspection programmes is key to achieving the high levels of health and safety required by Red Eléctrica. In this regard, in 2015 there have been: 14,319 occupational health and safety inspections in facilities [13.2% more than in 2014], which have led to 2,451 corrective actions, of which 95% have been resolved.

Unfortunately, despite having improved levels of inspection and control of activities, in 2015 there were two fatal accidents of subcontracted personnel during works in Red Eléctrica facilities. To carry out an analysis and diagnosis of these accidents, a group of specific and multidisciplinary

working group was set up which has identified several lines of action on which work is already being undertaken in order to avoid similar situations occurring in the future. [G4-LA6]

Thanks to the preventive measures applied and within the social context of Spain, there is not currently any incidence or risk of certain diseases related to professional activity, or to date none have been identified. In addition, the results of the health checks performed confirm this statement. [G4-LA7]

More than **2,000 work managers and more than 400 subcontracted work supervisors** have been authorised by the Risk Prevention Service.

HEALTH & SAFETY IN THE SUPPLY CHAIN

All contractors who work in facilities and work centres of Red Eléctrica are certified and qualified in occupational health and safety, and in the case of performing activities that carry risk, such activities shall be dealt with by the contractor's work managers that have been previously approved/ certified by the Risk Prevention Service of Red Eléctrica. In this regard, Red Eléctrica has authorised more than 2,000 work managers and more than 400 subcontracted work supervisors. [EU18]

CONSULTATION AND PARTICIPATION OF EMPLOYEES [G4-LA5, G4-LA8]

Red Eléctrica de España has an Occupational Health and Safety Committee whose composition and functions are set out in Chapter 7 of the 10th Collective Bargaining Agreement.

RISK PREVENTION



14,319
INSPECTIONS
CONDUCTED

+13.2%
Compared
to 2014



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The Occupational Health and Safety Committee **deals with the regular consultation of actions** on the prevention of occupational risks.

This Committee is a joint and collective body set up for regular and periodic consultation regarding the Company's actions on the prevention of occupational risks. The Committee consists of six representatives nominated by the Company and six prevention delegates chosen from representatives of the workers, representing 100% of the workforce. In addition, the Company's Risk Prevention Service experts take part in the meetings of this Committee.

Meetings are held on a quarterly basis (in accordance with Law 31/95 on the prevention of occupational risks), but also may be held as and when requested by any of the parties concerned.

In 2015, four meetings were held meeting the foreseen objectives. During these meetings monitoring is performed of all preventive and health activity, the review of processes and internal regulations and the analysis and monitoring of the occupational health and safety programmes and results. The minutes of these meetings are available to all employees in a specific section of the corporate intranet. Also, this Committee is made aware of the results of internal and external audits carried out and the improvement actions implemented.

OCCUPATIONAL RISK PREVENTION



SAFETY TRAINING
5,850
HOURS

410 h
given specifically regarding electricity risks

TRAINING AND AWARENESS

Red Eléctrica considers education and awareness in the prevention of occupational risks an essential line of work to prevent or reduce health risks arising from work.

5,850 hours of training were given regarding health and safety to 1,165 participants during 2015. Of the total training hours, 410 were allocated to specific training in electricity risk. [\[G4-LA9\]](#)

Regarding the contractors and subcontractors, Red Eléctrica randomly asks its suppliers for evidence of its training on the health and safety of its employees, but no quantitative data concerning this is available. [\[EU18\]](#)



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It also requests evidence of training in occupational health and safety during the incorporation of employees into the database of the provider in PRER. It also carries

out certifications of suppliers that perform critical functions, namely work managers and works supervisors. In the authorisation process of both, evidence of training

is requested and the completion of a questionnaire to validate their knowledge. [EU-18]

Main actions 2015

HEALTH PROMOTION

- Preparation of a psychosocial risk assessment to be held in 2016.
- 963 medical and nursing consultations, and 1,112 medical examinations. Annual flu vaccination campaign; 220 vaccinations were administered.
- New health campaigns aimed at promoting healthy eating and physical exercise.
- Eye care campaign with 40% of the personnel in the work centres of Madrid taking part.
- Individualised treatment and monitoring, in collaboration with Carlos III Hospital, to give up smoking.
- Prevention of colon cancer for those over 50 and detecting prostate cancer markers in males older than 50 years of age.
- Dissemination of healthy eating, hydration and physical exercise tips. Implementation of healthy menus in the dining room in the Head Office.
- Promoting physical activity as a healthy lifestyle habit through financial support which has benefited 39% of the workforce across 38 sporting groups.

OCCUPATIONAL HEALTH AND SAFETY

- 5,850 hours of occupational health and safety training with 1,165 participants.
- Organisation of workplace safety in confined spaces. A joint goal has been set with the management of the Maintenance department for the identification and marking of confined spaces in Red Eléctrica. At the end of 2015 more than 1,300 confined spaces had been identified and marked, representing 80% of those that exist in the Company. All information regarding these spaces is in the PRER corporate application which is available to users.
- Implementation of access control system (Kerberos) in 65 substations.
- Four meetings regarding occupational health and safety have been held, fulfilling the foreseen objectives.

Main objectives 2016

- Conduct a health and safety action plan that favours the development of best practices in the field.
- Improve training and competence needs required for those agents involved in the execution of works and activities in facilities.
- Establish actions aimed at improving the control and monitoring of the activity as a key element of health and safety rules.
- Develop communication strategies that promote the knowledge and awareness of workplace health and safety of all stakeholders.
- Develop a system of virtual access control (Kerberos) to expand the information available to the Company related to personnel performing work on overhead lines.
- Drafting and dissemination of an informative manual on healthy lifestyle habits.
- Evaluation Study of the index of work-related training within professional groups with risks associated to an ageing workforce.
- Planning and carrying out of the 3rd psychosocial risk assessment.
- Development of personalised plans of physical and health activity.





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THE WORK-LIFE BALANCE

To further progress in creating more flexible work environments tailored to the needs of people, is one of the great challenges that Red Eléctrica contemplates within the Work-life Balance Plan integrated into the healthy workplace model. Through a wide range of measures, actions and initiatives, which are applicable to the entire workforce, it aims to improve the well-being and quality of life of people, fostering their commitment and pride of belonging.

In this regard, the actions that are being undertaken every year, such as the days without school, urban summer camps or the role of work-life balance interlocutors, allow individual situations to be responded to.

The 10th Collective Bargaining Agreement, that came into force in 2014, has also been a clear step forward in terms of the work-life balance as it includes new measures or extending existing ones on the following matters:

- Labour flexibility.
- Authorised leave.
- Parenthood.
- Disability/family dependents.
- Social Benefits.
- Services.
- Events and activities.

These measures, which apply to the entire workforce regardless of the type of contract, have been highly valued by employees in the 2015 climate survey, whose score was up five points on 2012. [G4-LA2]

Main actions 2015

- Development programme for the management team: training and awareness for the management of people through the work-life balance.
- Development of new work-life balance measures related to health and well-being: health workshops held during working time and on Company premises, sports days and aid for physical activity.
- Activities and family support services: takeaway food service (dishes included on the menu of the canteen), days without school (activities with the children of employees during working time), urban summer camps.

- New drive for local work-life balance partners to study the needs of other work centres and collectives.
- Consolidation of the figure of the work-life balance interlocutor supporting the interpretation of measures and facilitating solutions to personal circumstances. In 2015, 50% of consultations were resolved with solutions tailored to specific needs, beyond the provisions of the Collective Bargaining Agreement

Main objectives 2016

- Analysis of the implementation of certain measures to all work centres through local work-life balance partners, giving greater visibility to these figures.
- Development of actions within a school programme for parents.
- Inform all staff about the philosophy regarding the work-life balance, the management model and the concept of the EFR (Family Responsible Company) model via a training video.

CLIMATE SURVEY EVALUATION



6.9

FOR THE WORK-LIFE BALANCE

+5pp

Compared to 2012



RECOGNITIONS

Renewal of the EFR (Family Responsible Company) certification as a Socially Responsible Company.

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Indicators

BREAKDOWN OF WORKFORCE BY TYPE OF EMPLOYMENT, CONTRACT, REGION AND GENDER Spain^[1]

Nº

(G4-10)

	2013			2014			2015		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Workforce	1,286	386	1,672	1,298	384	1,682	1,305	392	1,697
Employees with permanent contract	1,285	383	1,669	1,289	383	1,672	1,304	392	1,696
Employees with temporary contract	1	3	3	9	1	10	1	0	1
Permanent contracts [%]	99.9	99.2	99.8	99.3	99.7	99.4	99.9	100.0	99.9
Part-time contracts [%]	0	0	0	0	0	0	0	0	0
Workers from temporary employment agencies	7	6	13	6	4	10	13	15	28
Interns	55	16	71	20	35	55	30	28	58

[1] Data for Red Eléctrica de España + REC. Total workforce of the Red Eléctrica Group is 1,763 people.

Note: Red Eléctrica has no self-employed workers that are legally recognised.

EMPLOYEES COVERED BY THE COLLECTIVE BARGAINING AGREEMENT Spain^[1]

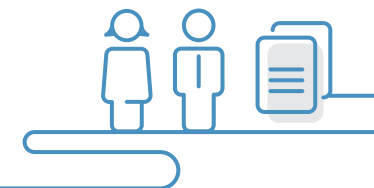
%

(G4-11)

	2013	2014	2015
Employees included in the collective bargaining agreement	98.84	98.99	98.79
Employees excluded from the collective bargaining agreement ^[2]	1.16	1.01	1.21

[1] Data for Red Eléctrica de España + REC.

[2] People voluntarily excluded from the collective bargaining agreement that are not part of the management team.



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TOTAL NUMBER OF EMPLOYEES BROKEN DOWN BY AGE GROUP, GENDER AND REGION Spain^[1]

N^o

[G4-LA1]

	2013			2014			2015		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Under 25	5	2	7	8	1	9	3	3	6
26 to 35	361	119	480	311	101	412	236	71	307
36 to 45	398	147	545	439	152	591	503	177	680
46 to 55	349	98	447	339	107	446	328	108	436
Over 55	173	20	193	201	23	224	235	33	268
Total	1,286	386	1,672	1,298	384	1,682	1,305	392	1,697

[1] Data for Red Eléctrica de España + REC.

NEW RECRUITMENT BY AGE AND GENDER Spain^[1]

[G4-LA1]

	2013						2014						2015					
	N° of new employee hires			Recruitment rate [%]			N° of new employee hires			Recruitment rate [%]			N° of new employee hires			Recruitment rate [%]		
	M	W	Total	M	W		M	W	Total	M	W		M	W	Total	M	W	
Under 25	1	2	3	20	100		5	0	5	62.5	0.0		0	3	3	0	100	
26 to 35	16	9	25	4.4	7.6		12	3	15	3.9	3.0		21	6	27	8.9	8.5	
36 to 45	6	8	14	1.5	5.4		5	4	9	1.1	2.6		11	7	18	2.2	4.0	
Over 45	0	0	0	0.0	0.0		0	1	1	0.0	0.8		1	1	2	0.2	0.7	
Total recruitment	23	19	42	1.8	4.9		22	8	30	1.7	2.1		33	17	50	2.5	4.3	

[1] Data for Red Eléctrica de España + REC.

M = Men W = Women



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TURNOVER INDICATORS BY AGE AND GENDER Spain^[1]

[G4-LA1]

	2013				2014				2015			
	Number of people leaving		Turnover rate [%]		Number of people leaving		Turnover rate [%]		Number of people leaving		Turnover rate [%]	
	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women
Under 25	0	0	0.0	0.0	0	0	0.0	0.0	0	0	0.0	0.0
26 to 35	3	2	0.8	1.7	0	3	0.0	3.0	1	4	0.0	5.6
36 to 45	1	2	0.3	1.4	1	5	0.2	3.3	8	2	1.6	1.1
46 to 55	2	1	0.6	1.0	2	0	0.6	0.0	4	2	1.2	1.9
Over 55	5	0	2.9	0.0	7	2	3.5	8.7	13	1	5.5	3.0
Total turnover	11	5	0.9	1.3	10	10	0.8	2.6	26	9	2.0	2.3

[1] Data regarding Red Eléctrica de España + REC.

Note: Average length of service of those leaving: 17.12 years.

MATERNITY/PATERNITY LEAVE RATES (M/P) Spain^[1]

[G4-LA3]

	2013		2014		2015	
	Men	Women	Men	Women	Men	Women
Employees with the right to M/P leave [n°]	79	35	76	38	80	40
Employees who have taken M/P leave [n°]	79	35	76	38	80	40
Reincorporations at the end of M/P leave [n°] [2]	79	31	76	33	80	36
Employees with M/P leave who remain on the workforce [%] [3]	100	99	100	95	100	90

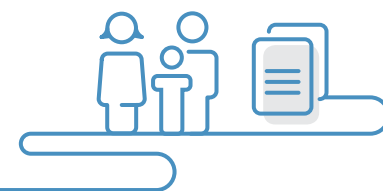
[1] Data for Red Eléctrica de España + REC.

[2] The difference between the number of reincorporations of women compared to those who have enjoyed leave is due to 4 authorised leaves due to child care.

[3] Employees who return to work after M/P leave and continued their work in the twelve months after their reincorporation. Data as at year end.

Note: In the columns with the heading 'women', takes into account people who have benefited from maternity leave [which includes men with that right].

Nº



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OCCUPATIONAL HEALTH AND SAFETY INDICATORS Spain (1)

Nº

[G4-LA6]

	2013			2014			2015		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Average workforce	1,267	386	1,653	1,291	385	1,676	1,313	391	1,704
Hours worked (thousands)	2,154	656	2,811	2,182	651	2,832	2,214	659	2,873
Accidents with sick leave (serious/minor)	0/7	0/0	0/7	0/7	0/1	0/8	0/8	0/5	0/13
Fatal accidents	0	0	0	0	0	0	0	0	0
Days lost due to accidents (2) (3)	332	0	332	348	35	393	202	146	348
Accident frequency rate	3.24	0.00	2.49	3.21	1.54	2.82	3.61	7.58	4.52
Accident severity rate	0.15	0.00	0.12	0.16	0.05	0.14	0.09	0.22	0.12
Incidence rate	5.52	0.00	4.23	5.42	2.60	4.77	6.09	12.79	7.63
Absenteeism rate due to common illness (4) (a)	1.18	0.98	2.13	1.61	2.64	1.84	1.80	3.19	2.10
Absenteeism rate due to occupational diseases (b)	-	-	-	-	-	-	1.89	3.30	2.20

[1] Data for Red Eléctrica de España + REC + REI + REINTEL + REINCAN.

[2] The calculation is based on 6,000 working days per fatal accident and 4,500 for total permanent incapacity.

[3] In 2015, sick days are those associated to an accident that occurred during the period of the report.

[4] The calculation formula was amended as of 2014. Therefore, the data for that year is not comparable with previous years.

Serious accident. Those classified as serious by each doctor that issued the sick leave certificate.**Frequency rate.** The number of work-related accidents with leave of absence per million hours worked.**Accident severity rate.** The number of work days lost due to work-related accidents + incapacity scale, per thousand hours worked.**Incidence rate.** The number of accidents with sick leave x 1,000 / average workforce.

Absenteeism rate: (a) From 2014 the calculation formula is: days absent due to common TI (temporary incapacity) > 3 days + days absent TI <3 days / average headcount x 365 x 100 and (b) From 2015 it also incorporates the total absence due to health and safety: days absent due to common TI > 3 days + days absence TI <3 days + days absence for WA (Work accident) + EP (Permanent illness) / average headcount x 365 x 100. Absenteeism rates (both a and b), and accounted calendar days from the day that the contingency occurs. Also, lost days are counted during the reporting period (even though they may be associated with pre-2015 contingencies) and commuting accidents are taken into account.

Note 1. Days off work due to accident TA (excluding commuting) men: 202 / women: 146 / Total 348.**Note 2.** The accident severity rate data for the years 2013 and 2014 corresponding to men differ from those published in the Corporate Responsibility Report 2014, due to an error in the values published.**Note 3.** The register and reporting of accidents is done based on Spanish law and as set out in the Red Eléctrica management system, certified according to OHSAS 18001.

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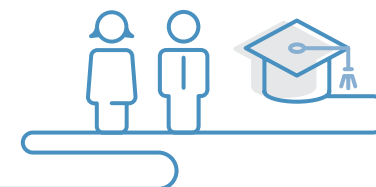
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TRAINING AND EDUCATION INDICATORS Spain⁽¹⁾

N^o

[G4-LA9]

	2013	2014	2015
Training hours	100,997	133,118	170,436
Employee training hours	94,333	124,158	169,666
Training hours for interns (operation internship grant programme)	6,664	8,960	770
Hours per employee ⁽²⁾	57	74	100
Employees in training (%) ⁽³⁾	96	102	101
Hours given with own resources (internal and virtual)	24,682	35,668	40,464
Number of courses managed	696	758	934
Investment in training/total personnel costs (%)	4.3	4.9	5.0
Investment per employee [€] ⁽⁴⁾	3,153	3,756	3,984
Training during working hours (%)	77	68	44
Hours dedicated to the management to reinforce leadership	1,838	924	2,936

⁽¹⁾ Data for Red Eléctrica de España + REC + REI + REINTEL + REINCAN.⁽²⁾ Over the average workforce.⁽³⁾ Employees who have attended a course/average workforce. A person who leaves the company and had attended a course throughout the year counts in the numerator, but not in the denominator.⁽⁴⁾ External training cost + travel + hourly student cost + hourly teacher cost + management cost / Average workforce.

AVERAGE HOURS OF TRAINING BY PROFESSIONAL GROUP AND GENDER Spain⁽¹⁾

N^o

[G4-LA9]

	2013			2014			2015		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Management team	50	90	54	64	77	66	112	163	123
G1 Master degrees	46	48	44	86	93	88	148	146	149
G2 Bachelor degrees	65	74	62	47	74	51	86	111	91
G2 Control centre operators	121	54	106	101	77	98	105	93	105
G3 Specialists	47	22	43	38	13	38	59	44	59
G4 Administrative personnel	6	32	24	13	23	20	30	54	48
Total	64	54	57	76	73	74	86	114	100

⁽¹⁾ Data for Red Eléctrica de España + REC + REI + REINTEL + REINCAN.



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PERCENTAGE OF EMPLOYEES WHOSE PERFORMANCE AND PROFESSIONAL DEVELOPMENT IS APPRAISED PERIODICALLY Spain ⁽¹⁾ %

[G4-LA11]

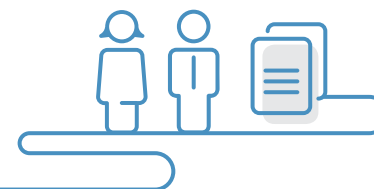
	2013		2014		2015	
	Men	Women	Men	Women	Men	Women
Employees with a performance appraisal	100	100	100	100	100	100

[1] Data for Red Eléctrica de España + REC.

COMPOSITION OF THE CORPORATE GOVERNANCE BODIES BY AGE %

[G4-LA12]

	2015		
	Under 30	30-50	Over 50
Board of Directors	0	41.7	58.3
Audit Committee	0	0	100
Appointments and Remuneration Committee	0	75	25



COMPOSITION OF THE CORPORATE GOVERNANCE BODIES Nº

[G4-LA12]

	2013				2014				2015			
	M	W	Total	% W	M	W	Total	% W	M	W	Total	% W
Board of Directors	7	4	11	36.4	6	5	11	45.5	7	5	12	41.7
Audit Committee	1	2	3	66.7	2	2	4	50.0	4	1	5	20.0
Appointments and Remuneration Committee ⁽¹⁾	2	1	3	33.3	1	3	4	75.0	0	4	4	100.0

[1] This committee had 4 members until 24 November 2015, and on that date it was increased to 5 members. However Mr. Francisco Ruiz Jiménez (nominee director) resigned from his position on that same day as well, which meant that at the end of 2015 there was a vacancy on this committee.

M = men W = women



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DISTRIBUTION OF WORKFORCE BY GENDER AND PROFESSIONAL GROUP Spain (1)

Nº

[G4-LA12]

	2013			2014			2015		
	Men	Women	% Women	Men	Women	% Women	men	Women	% Women
Management team	94	23	19.7	96	23	19.3	95	24	20.2
G1 Master degrees	326	170	34.3	326	170	34.3	333	180	35.2
G2 Bachelor degrees	467	90	16.2	471	89	15.9	475	86	15.3
G3 Specialists	369	9	2.4	374	10	2.6	371	12	3.1
G4 Administrative personnel	30	94	75.8	31	92	74.8	31	90	74.4
Total	1,286	386	23.1	1,298	384	22.8	1,305	392	22.8

[1] Data for Red Eléctrica de España + REC.

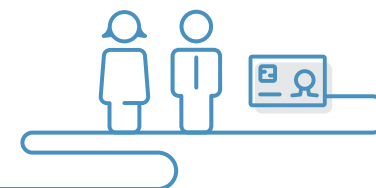
BREAKDOWN OF THE WORKFORCE BY AGE AND PROFESSIONAL GROUP Spain (1)

%

[G4-LA12]

	2014			2015		
	< 30 yrs	30-50 yrs	> 50 yrs	< 30 yrs	30-50 yrs	> 50 yrs
Management team	0.0	51.3	48.7	0.0	50.4	49.6
G1 Master degrees	3.0	75.6	21.4	2.7	74.7	22.6
G2 Bachelor degrees	4.8	76.8	18.4	5.0	74.7	20.3
G3 Specialists	3.9	66.1	29.9	3.1	66.3	30.5
G4 Administrative personnel	0.8	55.3	43.9	0.0	50.4	49.6

[1] Data for Red Eléctrica de España + REC.



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RATIO OF BASE SALARIES OF WOMEN TO MEN Spain (1)

%

[G4-LA13]

	2013	2014	2015
Management team	1.03	1.02	1.01
G1 Master degrees	1.11	1.10	1.11
G2 Bachelor degrees	1.06	1.05	1.06
G3 Specialists	0.97	0.98	1.03
G4 Administrative personnel	1.00	0.98	1.01
Total	1.03	1.02	1.02

[1] Data for Red Eléctrica de España + REC.

M = Men W = women

EMPLOYEES WITH THE POSSIBILITY OF RETIREMENT IN THE NEXT 5 YEARS Spain (1)

%

[EU15]

	In the next 5 years 2016-2020	In the following 5 years 2021-2025
Management team	1.5	1.4
G1 Master degrees	1.4	2.6
G2 Bachelor degrees	1.0	1.7
G3 Specialists	2.3	2.6
G4 Administrative personnel	0.2	1.9
Total	6.5	10.2

[1] Data for Red Eléctrica de España + REC.

Note 1. Considering retirement age as a sole requirement and estimating this as 65 years of age.**Note 2.** In the first period (2016-2020), employees considered are those whose age is equal to or greater than 65.

OCCUPATIONAL HEALTH AND SAFETY INDICATORS REE Contractors (1)

[EU17, G4-10, G4-LA6]

	2013	2014	2015
Average workforce (1)	3,527	3,336	2,950
Hours worked (thousands)	6,059	5,637	4,986
Accidents with sick leave (serious/minor)	4/105	4/88	11/51
Fatal accidents	0	0	2
Days lost due to accidents (2)	5,368	3,437	15,347
Accident frequency rate	17.99	15.61	12.84
Accident severity rate	0.89	0.61	3.08
Incidence rate	30.9	27.57	21.69

[1] Based on hours worked, considering 1,690 hours per worker.

[2] Calculation based on 6,000 working days per fatal accident and 4,500 for total permanent incapacity.

Serious accident. Those classified as serious by each doctor that issued the sick leave certificate.**Frequency rate.** The number of work-related accidents with leave of absence per million hours worked.**Accident severity rate.** The number of work days lost due to work-related accidents + incapacity scale, per thousand hours worked.**Incidence rate.** The number of accidents with sick leave x 1,000 / average workforce.**Note:** regarding G4-10, no data is available broken down by type of work contract and regulatory regime.