redeia

Valuing the essentials

Comprehensive Risk Management Policy



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1 Purpose

To establish the principles to ensure that the risks that may affect the strategies and objectives of Redeia are identified, analysed, evaluated, managed and controlled in a systematic way, with uniform criteria and within the risk levels set.

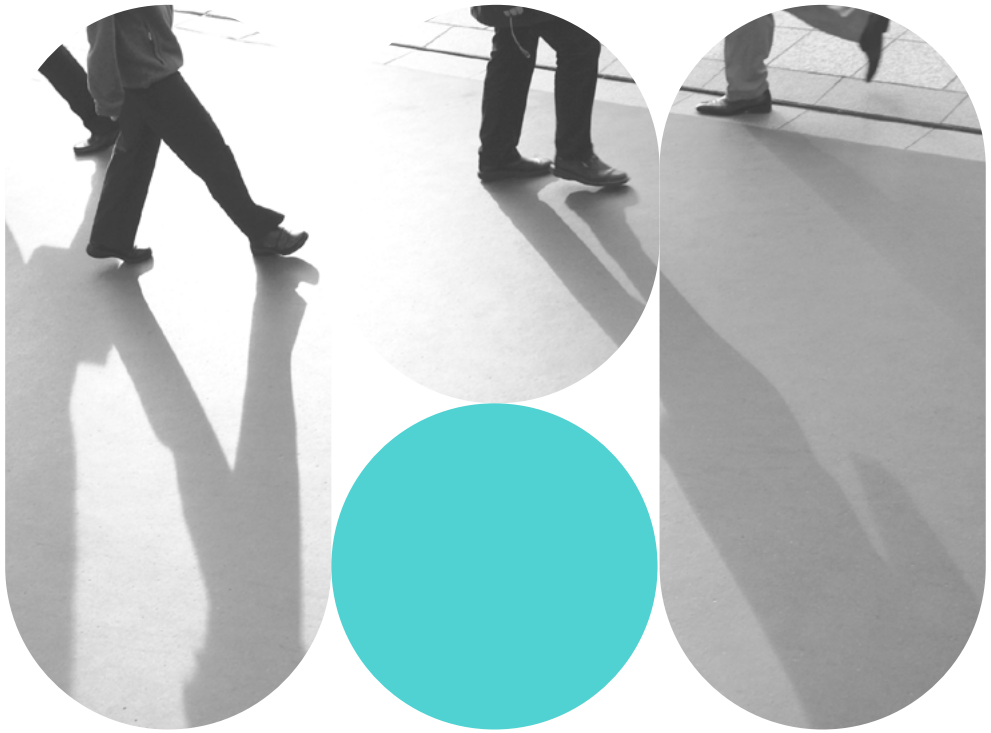
Supporting and complying with the principles contained in this Policy contribute to achieving the purpose of the organisation, as well as to achieving its strategic objectives, in coherence with the values, principles, and guidelines for conduct established in Redeia's Code of Ethics and Conduct.



2 Scope of application

This Policy is applicable to all majority-owned Redeia's companies. It is the responsibility of all the members of Redeia to comply with this Policy in the in the exercise of their roles and responsibilities, and in all professional areas in which they represent the organisation.

In affiliates in which Redeia does not have effective control, principles aligned with those established in this Policy shall be promoted.



3 Principles

- To ensure that the risks that may affect the strategies and objectives of Redeia are identified, analysed, evaluated, managed, and controlled in accordance with the acceptable risk level approved by the Board of Directors.
- To promote systematic, structured, and homogeneous risk management throughout the organisation through the application of common criteria, methodologies, and tools; to guarantee adequate independence between the units responsible for risk management and those in charge of its supervision and control; and to promote its continuous improvement.
- To promote risk management towards anticipation, promoting the early identification of risks and opportunities, as well as the adoption of measures to minimise their potential impacts and strengthen the organisation's resilience. The analysis of interrelations between risks shall also be incorporated to anticipate concurrent scenarios that could amplify their potential impact on Redeia.
- To ensure that actions are carried out to mitigate risks whose rating exceeds acceptable levels, considering Redeia's capacity to act on them, until they are brought within an acceptable level, wherever possible. Likewise, appropriate measures shall be maintained for acceptable-level risks to ensure they remain within target thresholds.
- To ensure that risk management is proactive, incorporating controls to help mitigate them in the design of processes, implementing contingency plans and establishing coverage for such risks whenever possible.
- In general, risk management must be carried out proportionally, considering the importance of the risk and the cost and the means necessary to reduce it. Nonetheless, for activities carried out as an operator of essential services, the potential impact that risks may have on their continuity and security must also be considered.
- To promote a risk management culture in Redeia companies that facilitates the integration of risk analysis in process management and decision-making.
- To ensure that the governing and supervisory bodies responsible for risk control are adequately informed through regular, comprehensive, and reliable information on the status and evolution of risks.
- To promote transparency in risk management by informing stakeholders about Redeia's relevant risks, including emerging ones, and the actions taken for their management and control, to strengthen trust and accountability.

Criteria on acceptable risk level

Within the framework of its risk management and control model, Redeia establishes a risk appetite framework that defines the level of risk the company considers acceptable in achieving its strategic objectives, serving as a reference for decision-making, resource allocation, and the prioritisation of actions.

Furthermore, defining the acceptable risk level helps ensure an appropriate balance between risks and opportunities, guiding the adoption of action plans and monitoring, control, and reporting activities, both at an individual and aggregate level.

- **Acceptable risk level for individual risks**

As a general criterion, all risks that may affect Redeia's strategies and objectives must be maintained at a low combined probability and impact value, in accordance with the established rating scales. Risks exceeding this level must be subject to mitigation measures to bring them within the target level, to the extent that the risk can be managed and the cost of the mitigation measures is justified by the potential impact of the risk materialising on Redeia.

- **Overall acceptable risk level**

Likewise, as a general risk management criterion, Redeia's aggregate risk level, determined by statistical-ly aggregating individual risks, should not exceed the overall level established for each of the impact categories contemplated in the Comprehensive Risk Management System: electricity supply (or the equivalent category depending on the activity carried out by each Redeia subsidiary), reputation, strategic plan and economic loss.



Types of risks and action guidelines for risk management

The types of risks faced by Redeia in achieving its strategies and objectives can be classified into four categories: Strategic, Operational, Financial, and Compliance.

Sustainability risks, linked to environmental, social, and governance factors, are integrated transversally into the aforementioned categories. In this way, sustainability risks are identified, analysed, evaluated, managed, and controlled within the defined risk typologies, considering the area in which they manifest and their potential impact on the organisation's strategies and objectives. This approach is consistent with the transversal integration of sustainability into Redeia's strategy.

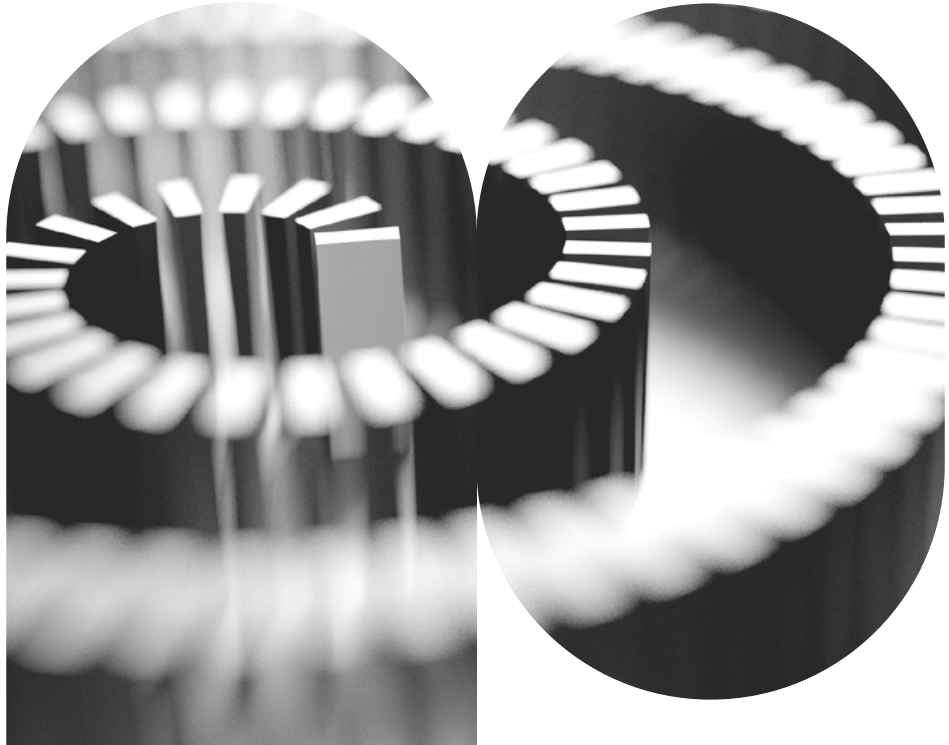
- **Strategic Risks**
  - **Regulatory framework.** Risks related to the approval, repeal, or modification of regulations with a direct or indirect impact on the Company, its remuneration, financial performance. These include tax risks arising from the application of tax regulations, the complexity of interpretation, or modifications in the regulations, and the possible reputational impacts of the managementof tax matters, as well as transition risks associated with climate change.
  - **Business.** Risks associated with the conditions of the environment and/or the situation of a country or geographic area in which Redeia operates, the business model, and the possible corporate actions or strategic decisions to develop the company's tangible and intangible value creation capacity.
  - **Technology and Innovation.** Risks associated with the technological environment in which the company operates and its ability to adapt to changes and evolve within it.
- **Operational Risks**
  - **Planned/ongoing assets.** Risks associated with the unavailability of the asset or service that allows the Company to carry out its activities normally. This category includes the main physical risks associated with Climate Change.
  - **In service assets.** Risks associated with a breakdown, delay, or incident in the execution of projects or processes within the Company's activity.
  - **Supply Chain.** Risks associated with the interruption, delay, or changes of the conditions governing the supply of raw materials, goods, or services that impact the Company's activity.
  - **People and organisation.** Risks related to the management of people and their safety and wellbeing at work.
  - **Systems.** Risks associated with incidents in systems, including cyberattacks, that could affect the availability of the information systems of Redeia
  - **Environmental Impact.** Risks associated with the impacts that the Company's activity may have on the environment.

- **Financial Risks**
  - **Market.** Risks associated with variations in financial market conditions in relation to prices, interest and exchange rates, credit conditions, or other variables that could affect financial costs.
  - **Solvency.** Risks associated with the inability of Redeia to meet its payment obligations.
  - **Counterparty.** Risks associated with the breach of contracted obligations by third parties and its possible repercussion on the Company.
- **Compliance Risks**
  - **Ethics and Good Governance.** Risks associated with the possibility of incurring financial or reputational losses due to non-compliance with ethical and conduct codes, recommendations applicable to the activity, and voluntary commitments undertaken by the organisation.
  - **Legislation.** Risks associated with the possibility of incurring criminal or administrative sanctions, significant financial losses, or reputational losses due to non-compliance with laws and regulations applica-ble to the activity.
  - **Litigation.** Risks associated with adverse outcomes in judicial and administrative proceedings in which the Company may be involved.



The following **specific guidelines** are established for the different types of risks:

- **Strategic Risks**
  - Given the nature of regulatory risks, their management must be fundamentally anticipatory and proactive, while also focusing on collaboration with regulators and considering the medium and long term and possible scenarios in an increasingly globalised environment. For tax risks:
    - The principles and guidelines that frame action in tax matters are those contained in Redeia's Tax Strategy.
    - A proactive and responsible approach shall be adopted and maintained for managing tax risks across all Redeia companies.
    - Tax operations shall incorporate specific risk evaluations and the necessary controls to mitigate, manage, and monitor such risks. In relation to the analysis of the tax risks of investments or opera-tions that have a strategic nature or special tax risk due to their high value or special characteris-tics, these matters will be submitted to the Board of Directors for approval.
    - Relations with tax authorities will be fostered to reduce tax risks and prevent behaviours that may generate them.
  - Development of due diligence processes for corporate transactions to highlight potential contingencies and facilitate decision-making by the governing bodies.
  - Evaluation of the risks that could significantly impact international and telecommunications business performance (including regulatory shifts, economic cycles, competition, sector trends, and country-level developments). Managing these risks is the responsibility of each individual Redeia company, supported as needed by relevant corporate units.
  - Investing in innovation and technological development to promote the energy transition and connectivi-ty through Redeia's technological platform.



- **Operational Risks**
  - Designing efficient and effective processes that incorporate risk-mitigating controls and are structured. through management systems based on international reference standards (good practices) and with regular verification and improvement.
  - Proactive management of investment project risks, including delays in processing and social and institutional opposition, alongside rigorous cost control and financial monitoring.
  - Applying strict environmental criteria in all phases of planning, development, and maintenance of facilities, as well as assessing climate change risks to effectively prepare for and withstand physical impacts arising from shifting climate patterns.
  - Maintaining the reliability levels of electricity and telecommunications infrastructure facilities, requiring, where appropriate, adaptation and improvement actions.
  - Securing insurance coverage for claims that may materialise.
  - Developing long-term procurement strategies based on needs planning, promoting the incorporation of new suppliers, and continuous order tracking.
  - Limiting the impact of significant fluctuations in the prices of raw materials and services through the mechanisms considered most suitable for each case and according to the impact on the total cost of the project.
  - Proactively managing physical and cybersecurity risks across Redeia's essential public service operations, alongside environmental protection and personal safety.

- **Financial Risks**
  - Financial risk management must be aimed at avoiding unwanted variations in Redeia's fundamental value and must not be used for speculative purposes.
  - The financial structure must be sufficiently diversified in terms of financing and maturities, so as to minimise exposure to liquidity risk.
  - Hedging interest rate risk to reduce the impact of this risk on Redeia.
  - Hedging exchange rate risk by considering activities and procurement linked to various currencies.
  - Managing counterparty risks primarily by incorporating control elements that reduce or limit the risk:
    - For financial counterparties: approving counterparty lists, periodically reviewing these lists, and establishing limits for contracting operations based on the term, amount, counterparty, and any oth-er instrument that is considered adequate to eliminate or mitigate counterparty risk.
    - For commercial counterparties: defining processes that, over time, guarantee that customers and suppliers meet the requirements demanded by Redeia, and avoid dependence on a single supplier, taking actions that facilitate competition.

- **Compliance Risks**
  - Adopting best practices in sustainability, good governance, and transparency, to safeguard the highest standards of corporate reputation and other aspects necessary to generate trust in Redeia.
  - Ensuring strict compliance with applicable legislation and with the voluntary commitments undertaken by Redeia, in order to maintain the highest standards of business conduct and reputation.
  - Implementing a system for the prevention, supervision, and effective control of criminal risks, including those related to corruption.
  - Providing an Ethics and Compliance Channel in accordance with international regulations, to facilitate the application of Redeia's Code of Ethics and Conduct and other internal regulations that make up the company's integrity model.

Considering the multidimensional nature of risks and the current context, characterised by a highly dynamic, uncertain, and constantly transforming environment, it is necessary to incorporate the analysis of **emerging risks** into the scope of Redeia's Comprehensive Risk Management System.

For these purposes, emerging risks are considered to be those linked to global phenomena or trends that arise in a context of transformation and are expected to gain relevance in the future, either due to greater exposure or the magnitude of their consequences. Due to their largely exogenous nature, these risks are difficult to quantify, have uncertain time horizons and offer the company limited capacity for influence.

The analysis of these risks aims to anticipate trends, strengthen the organisation's adaptability, and support strategic decision-making, promoting adequate awareness of risks associated with, among others, the energy and climate transition, technological evolution, regulatory changes, or the geopolitical environ-ment

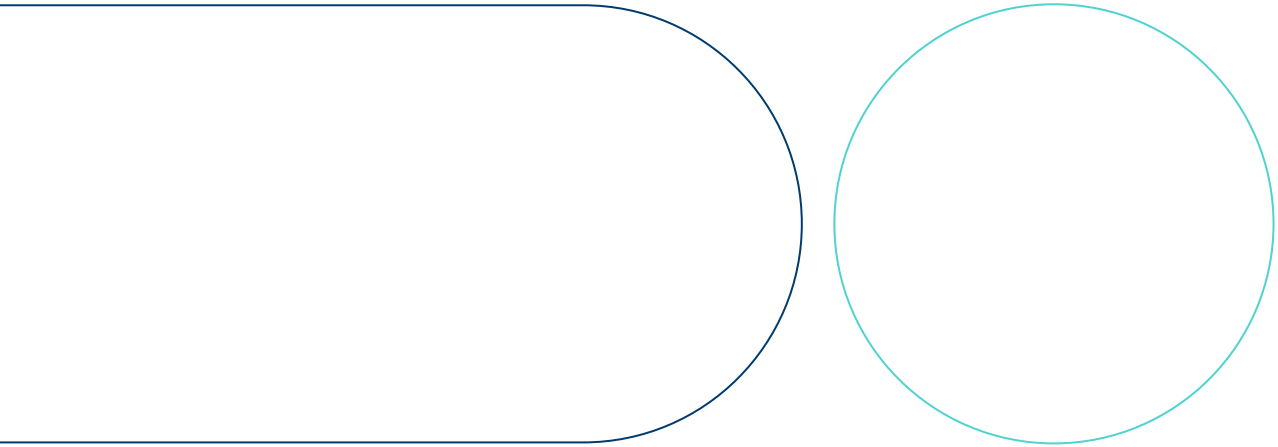
Risk management information and control systems

Comprehensive risk management will be aligned with international reference standards and supported by adequate information and control systems to ensure compliance with this Policy and provide a comprehen-sive and consistent view of Redeia's risk profile. Its operation will be defined in the corresponding general procedure.

4 Version, approving authority, and effective date

Version 4 of this Comprehensive Risk Management Policy was approved by the Board of Directors of Redeia's parent company on 28 July 2026, which is its effective date. This Policy may be modified with the express approval of the Board of Directors.

The Policy is published on Redeia's website and corporate intranet, as well as on the intranet of its subsidiary companies.



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