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SUSTAINABILITY COMMITTEE

21 February 2023

**Sustainability  
Committee Activities  
Report for 2022**

For approval

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## 1 Introduction

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Under section 18 TER k) of the Board Regulations of Red Eléctrica Corporación, S.A. (the "**Company**"), the Sustainability Committee's Annual Action Plan for 2023 includes the preparation of an annual report on the activities of the Committee performed in 2022, which is the object of this document.

## 2 Legal background, structure, functions and composition

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### 2.1 Legal background

The Sustainability Committee was established by Board resolution dated 27 November 2018, under Article 22 of the Articles of Association and section 14 of the Board Regulations, and in accordance with Recommendation 53 of the Good Governance Code for listed companies.

At a meeting held on 19 February 2019, the Board approved amendments to the Board Regulations in view of the strategic approach that the Board wanted to attribute to sustainability in the Company and its subsidiaries ("**Redeia**") by restructuring of the Board Committees, creating a new Sustainability Committee and updating the functions of the other two committees: the Audit Committee and the Appointments and Remuneration Committee. The responsibilities of the Appointments and Remuneration Committee were strengthened in relation to the group companies, in accordance with international best practices regarding corporate governance, and in addition, the general oversight and risk control function to be performed by the Audit Committee was reviewed, in conjunction with the specific functions assigned to each of the other committees within the scope of their respective responsibilities.

At the meeting held on 31 March 2020, the Board Regulations were amended to incorporate the appropriate adaptations in accordance with Spanish Law 11/2018, of 28 December, on non-financial information and diversity [*Ley 11/2018, de 28 de diciembre, en materia de información no financiera y diversidad*], update the functions of the Board and its Committees on sustainability, some of them cross-cutting, with the formal and material scope agreed by the three committees, and strengthen the coordination mechanisms between the three Board Committees.

Finally, at a meeting held on 25 May 2021, the Board approved amendments to the Board Regulations to incorporate the appropriate adaptations to Spanish Law 5/2021, of 12 April, amending the consolidated text of the Corporate Enterprises Act [*Ley 5/2021, de 12 de abril, por la que se modifica el texto refundido de la Ley de Sociedades de Capital*], enacted by Royal Legislative Decree 1/2010, of 2 July (Corporate Enterprises Act), and other financial regulations, as regards promoting the long-term involvement of shareholders in listed companies, and to introduce certain technical and drafting clarifications.

That review adapted the Board Regulations in matters relating mainly to the rules for related-party transactions, directors' remuneration, directors' duty of care and the Annual Corporate Governance Report and the Annual Director Remuneration Report.

It should also be noted that the General Meeting of Red Eléctrica Corporación, S.A. held on 29 June 2021 approved the proposed amendment to the Articles of Association, notably including the creation of a new Article 24 bis that establishes the basic rules on the composition and functions of the Sustainability Committee, in coordination with the Board Regulations.

## 2.2 Structure and functions

Article 24 bis of the [Articles of Association](#) states that the Company will have a Sustainability Committee and establishes its basic composition and functions. Sections 18 BIS and 18 TER of [Board Regulations](#) regulate in greater detail the structure, composition and functions of the Sustainability Committee.

The functions of the Sustainability Committee include, among others, those related to ethical leadership, compliance with the group's sustainability policy, sustainability actions and proposals, the 2030 Sustainability Commitment, sustainability policy and its relationship to the Strategic Plan, interaction with different stakeholders, the Annual Report on ethical management in the group, sustainability disclosures in accordance with international benchmarks, the review and validation of reports on specific sustainability areas and oversight of compliance with and review of the Code of Ethics and Conduct.

The Committee meets with the appropriate frequency to properly discharge its duties. In any case, it must meet at least on a quarterly basis, when called by its chair or at the request of two of its members, and whenever the Board or its chair requests the issuance of a report or the submission of proposals.

Section 18 BIS.4 of the Board Regulations stipulates that the meetings can be called, with the associated documentation, by electronic means that ensure the due security and confidentiality of the notice of meeting and related documentation.

This call notice, which will include the agenda, will be sent by the chair or secretary of the Committee to each of its members at least three days before the date scheduled for the meeting, except in cases of emergency where a meeting needs to be called in a shorter period of time.

Section 18 BIS.6 of the Board Regulations establishes the possibility that Committee meetings may be held by conference call, video conference or by any other means of remote communication that allow them to be held, provided that all Committee members agree.

The Committee may be convened with the attendance of the majority of its members and may adopt decisions or recommendations by an absolute majority of votes of the directors attending the meeting in person or by proxy. To better perform its functions, the Committee may engage independent professionals and may also access any type of information or documents of the Company that it needs to perform its functions.

## 2.3 Composition

The composition of the Sustainability Committee is regulated in Article 24 bis of the Articles of Association and in section 18 BIS of the Board Regulations. In accordance with the aforementioned precepts, the Committee will consist of three (3) members appointed among the non-executive directors, and the majority of its members must be independent directors. The chair of the Committee will be an independent director chosen by the Committee from among its members, and the secretary will be the secretary to the Board.

The appointment, re-election and removal of Committee members is performed by the Board at the proposal of the chair of the Board, following a report by the Appointments and Remuneration Committee, ensuring that they have the suitable knowledge, skills and experience for the Committee's functions. Committee members hold their positions for a period not exceeding four years and may be re-elected, and they cease to hold their position when they cease to be directors or when the Board decides, following a report by the Appointments and Remuneration Committee. The chair will be replaced every four years and may be re-elected.

The composition of the Sustainability Committee as at 1 January 2022 was as follows:

Director	Position	Category of Director	Last appointment
Ms Carmen Gómez de Barreda Tous de Monsalve	<i>Chair</i>	Independent non-executive	30/11/2021
Ms María Teresa Costa Campi	<i>Member</i>	Proprietary non-executive (SEPI)	27/11/2018
Ms Elisenda Malaret García	<i>Member</i>	Independent non-executive	02/07/2021

The changes in the composition of the Sustainability Committee in 2022 were as follows:

- In a meeting held on 29 March 2022, the Board of Red Eléctrica Corporación, S.A took note of the resignation of María Teresa Costa Campi, effective that same day at the end of the aforementioned Board meeting, from her position as the proprietary director of Red Eléctrica Corporación, S.A., representing the Sociedad Estatal de Participaciones Industriales (SEPI), to which she was appointed for four years by resolution passed the Annual General Meeting held on 22 March 2019.
- In a meeting held on 31 May 2022, Red Eléctrica Corporación, S.A.'s Board appointed the proprietary director Ms Esther María Rituerto Martínez as a member of the Sustainability Committee of Red Eléctrica Corporación, S.A., for the four-year term in the Board Regulations, at the proposal of the chair of the Board and following a report by the Appointments and Remuneration Committee, in accordance with Article 24 bis of the Articles of Association and section 18 BIS of the Board Regulations, to fill the vacancy existing in the Sustainability Committee as a result of the resignation of Ms María Teresa Costa Campi from her position as proprietary director of the Company, representing the Sociedad Estatal de Participaciones Industriales (SEPI).

The composition of the Sustainability Committee as at 31 December 2022 was as follows:

Director	Position	Category of Director	Last appointment
Ms Carmen Gómez de Barreda Tous de Monsalve	<i>Chair</i>	Independent non-executive	30/11/2021
Ms Esther María Rituerto Martínez	<i>Member</i>	Proprietary non-executive (SEPI)	31/05/2022
Ms Elisenda Malaret García	<i>Member</i>	Independent non-executive	02/07/2021

All Committee members have the proven capacity to discharge the functions entrusted to the Committee as a result of their broad experience, skills and knowledge.

Below is a brief summary of the professional careers of the Committee members at 31 December 2022:

- *Ms Carmen Gómez de Barreda Tous de Monsalve*, born on 20 May 1968, holds a bachelor's degree in Economics and Business Administration from Universidad Pontificia de Comillas (ICADE), and a Master's Degree in Business Administration from IESE (Executive MBA) at the University of Navarra.

She is currently a Board member of Hispasat, S.A., chair of its Appointments and Remuneration Committee and a member of its Audit Committee; Member of the Advisory Board of Grupo Antolin-Irausa, S.A.'s Board; Board member of Mutua Madrileña Automovilista, Sociedad de Seguros a Prima Fija and chair of its Audit and Compliance Committee; Member of the Strategy advisory group of Sidenor Aceros Especiales.

She has held the position of General Manager of Corporación de Reservas Estratégicas de Productos Petrolíferos (CORES); Manager of Institutional Relations, and Communication and Public Affairs at BP Oil España; Deputy Manager of Oil Markets at the Spanish National Energy Commission (CNE); Head of Services Development at Unión Fenosa; Head of the International, Petrochemicals and Marketing Departments at Repsol; Head of the Cogeneration Department and Business Management at Enagás; Representative of the Spanish delegation in the Standing Group on Emergency Questions and in the Standing Group on Markets of the International Energy Agency (IEA); Representative in various international working groups on energy regulation and security of supply issues (ARIAE and CEER); Board member of Grupo Ezentis, S.A.; Professor and/or lectures in various Master's programmes (Universidad de Barcelona, ICAI, Cesma, Spanish Energy Club); Speaker at the Sagardoy Business School's Course for Directors.

- *Ms Esther María Rituerto Martínez*, born on 16 February 1954, has a bachelor's degree in Physical Sciences, specialism in Automatic Calculation, from Universidad Complutense de Madrid (1977). MBA from the Escuela de Organización Industrial [School of Industrial Organisation] (1978). Diploma in "Orchestrating Winning Performance" from the International Institute for Management Development (IMD), Switzerland (2004).

She has been General Manager of Administration and Finance of Red Eléctrica de España, S.A., Internal Control Officer with permanent attendance at the meetings of the Audit Committee and Head of the Securities Market Conduct Internal Regulations Monitoring Body (2004-2012); Joint director of Red Eléctrica Financiaciones, S.A.U. (2009-2012); Joint director of Red Eléctrica Internacional, S.A.U. (2004-2012); CEO of Izar Construcciones Navales, S.A. (currently Navantia) (2003-2004); Board member of Izar (2001-2004); Board member of Agencia Efe (2002-2003); Board member of Iberia (2000-2001); Board member of Patronato Fundación Empresa Pública (1998-2003); Director of Planning and Control at the SEPI. Member of its Executive Committee and its Management Committee (1996-2003); Board member of Casa (1994-2001); Board member of Indra (1994-1999); Board member of Endesa (1997-1998); Director of Planning and Control of INI and Teneo, S.A. and Member of the Executive Committee of INI (1993-1996); Board member of Ensidesa (1992-1994); Board member of Altos Hornos de Vizcaya (1992-1994); Board member of Binter Canarias (1989-1994); Board member of Compañía Trasatlántica Española (1990-1993); Director of Planning and Monitoring of INI (1990-1993); Board member of Endiasa (1988-1991); Deputy Director of Planning and Monitoring of INI (1988-1990); Chief Risk Officer of Bankinter Madrid (1978-1988).

- *Ms Elisenda Malaret García* was born on 20 March 1958. She holds a bachelor's degree in Law from the Universidad de Barcelona. PhD in Law from the Universidad de Barcelona. Postdoctoral researcher at Università degli Studi di Bologna, Project on the Promotion of Industrial Reorganisation.



She is currently Professor of Administrative Law at the Faculty of Law of the Universidad de Barcelona (since 1995); Head of the Master's programme in Advanced Public Procurement at the University of Barcelona; Joint Head of the Master's programme in Public Management at Escola d'Administració Pública de Catalunya (EAPC); Chair of the Law Teaching Staff Accreditation Committee of the Spanish National Agency for Quality Assessment and Accreditation (ANECA); Lecturer in Economic Regulation Law in the Master's programme in Advanced Legal Studies at the Faculty of Law and in the Master's programme in Regulation, Competition and Public Services of the Faculty of Economics at the University of Barcelona; Member of the Scientific Committee of the European Federation of Energy Law Associations; First Vice President of the Spanish Association of Energy Law (AEDEN); Member of the Scientific Committee of Associazione per gli Studi e le ricerche sulla Riforma delle Istituzioni Democratiche e sull'innovazione nelle amministrazioni pubbliche (ASTRID); Member of the Inaugural Council of the International Society of Public Law; Member of the Public Contracts in Legal Globalisation (PCLG) European network; Member of the Spanish Association of Administrative Law Professors (AEPD); Member of the European Group of Public Law (EGPL) (since 1995).

She has also held positions that include Director of the Catalan Audiovisual Council (2008-2014); Member of the Advisory Board of the Spanish Data Protection Agency (AEPD) (2005-2008); Guest lecturer at the following universities: Paris II Pantheon-Assas, Institut de Sciences Politiques, Paris, Paris I Panthéon-Sorbonne, Institut de Sciences Politiques, Grenoble, Roma Tre, Externado, Bogotá, Siena, Oviedo, Euskadi, Roma La Sapienza, Pisa, Florence, Cattolica de Milano, Pavia, Montpellier; Head of various courses on telecommunications regulation at Consorci Universitat Internacional Menéndez Pelayo de Barcelona (CUIMPB) (1997-2001); Head of the Department of Administrative Law and Procedural Law at the Faculty of Law of the University of Barcelona (2000-2004); Professor of Administrative Law at the University of Barcelona since 1986; Representative of the CAC on the European Platform of Regulatory Authorities (EPRA), on the contact committee provided for in the SCA Directive between national audiovisual regulators and the European Commission, on the Réseau des Institutions de Régulation Méditerranéennes (RIRM) and on the Platform of Latin American Audiovisual Regulators (PRAI); Member of the Lower House of the Spanish Parliament in the 8th and 9th legislatures (2004-2008). Rapporteur for the Antitrust Act, the Basic Statute of Public Employees Act, the Public Sector Contracts Act, the Act on Transparency in Financial Relations between Public Authorities and Public Companies, the Act on State Agencies for the Improvement of Public Services, and the Act on the Special Regime for the Municipality of Barcelona, among others (2004-2008).

She has also authored numerous books, book chapters, articles and research projects on the main lines of research she has developed in her career, including: Economic regulation law; Energy law; Infrastructure law; Judicial control, administration and technique; Telecommunications Law; Transparency, conflicts of interest and accountability - good governance and good administration; Independent regulatory authorities, public procurement; Public services and liberalisation in the European integration process; etc. She has also participated in numerous presentations at conferences in recent years, and on councils of scientific journals, committees and representations, and she has received research and teaching recognitions from the National Research Activity Assessment Commission (ANECA).

Detailed information on the Committee members and their professional background is available to shareholders, investors and other stakeholders on the Company's website.

The secretary of the Committee was Carlos Méndez-Trelles García, current secretary of the Board, by virtue of his appointment as such, approved by Red Eléctrica Corporación, S.A.'s Board, at the proposal of the Appointments and Remuneration Committee, on 26 May 2020.

Throughout 2022, at the request of the Committee itself and following an invitation by the chair, the persons who have held the positions of Corporate Sustainability and Studies Director and Head of the Sustainability Department attended the Committee meetings, along with the Corporate Manager of Transformation and

Resources, the Corporate Economic and Financial Director, the Management Control Director, the Internal Audit and Management Control Director, the Sustainability Director, the Financial Manager, the Sustainability Manager, the Economic Manager, the Head of the Organisation, Compensation and Labour Relations Department, the Head of the Corporate Governance Department, and four technicians from the Sustainability Department attended the Committee meetings, all exclusively to report on matters related to the areas of their competence, safeguarding at all times the independence of this Committee.

### 3 Activities performed in 2022

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At its meeting held on 14 December 2021, the Sustainability Committee approved its Annual Action Plan for 2022, in view of the responsibilities assigned to it in the Articles of Association and Board Regulations.

The Sustainability Committee reported its activities to the Board at its meetings immediately after each Committee meeting and made available to all directors, through the "director portal" intranet, the documentation corresponding to the meetings and a copy of the minutes.

The main tasks performed by the Committee in 2022 included the following:

- Analysis of the sustainability management objective for 2022 and its quarterly monitoring.
- Analysis of compliance with the 2021 Management Sustainability Objective.
- Analysis and submission to the Board of the Annual Management Report of the Redeia Code of Ethics and Conduct for 2021.
- Analysis of Redeia's 2022 Environmental Plan.
- Analysis of Redeia's commitment to protect vegetation and combat deforestation.
- Analysis of Redeia's Risk Map in the area of Sustainability (ESG).
- Analysis of the high-level risk situation and special monitoring report in the area of Sustainability (ESG) for the first half of 2022.
- Analysis of the 2030 Climate Change Action Plan.
- Analysis and favourable report to the Board on Redeia's Statement of non-Financial Information (SNFI) for 2021.
- Analysis of the recommendations of the external reviewer (EY) resulting from the verification of the SNFI.
- Analysis of the resolutions proposed by the Board at the Annual General Meeting for 2021 within the scope of the functions of the Sustainability Committee.
- Analysis and submission to the Board, for its approval, of the 2021 Sustainability Report.
- Analysis of and follow-up on the 2020-2022 Sustainability Plan.
- Analysis and favourable report to the Board, for its approval, on the Sustainability Plan for 2023-2025.



- Analysis and approval of the sections of the Annual Corporate Governance Report for 2021 within the scope of the competencies of the Sustainability Committee.
- Analysis of the 2021 Diversity Report.
- Analysis of main aspects of the Dow Jones Sustainability Index assessment process.
- Analysis of the review and update of the Redeia stakeholder management model.
- Analysis of the results of the 2021 perception studies and activity planned for 2022 in relation to stakeholders.
- Analysis of the risk management model and opportunities arising from climate change.
- Analysis and monitoring of the 2018-2022 Comprehensive Diversity Plan.
- Analysis and monitoring of the Redeia Circular Economy Road Map.
- Analysis of the report on Redeia's contribution to the Sustainable Development Goals (SDGs) in 2021.
- Analysis of the future human rights regulations and upcoming actions by Redeia in the field of human rights.
- Analysis and favourable report to the Board, for its approval, on the proposed update of Redeia's Sustainability Policy.
- Analysis and favourable report to the Board, for its approval, on Redeia's proposed "Commitment to promoting and respecting Human Rights".
- Analysis of Redeia's annual tax transparency report for 2021.
- Analysis of the sustainability context and materiality matrix of the Redeia Materiality Study in 2022.
- Analysis of the results of the assessment process of S & P (DJSI) and MOODY'S (EURONEXT), relating to the ESG profile.
- Analysis of the Report on the outstanding actions on biodiversity performed by Redeia in 2021 and 2022.
- Analysis of the report on the new approach to social innovation, and the "Zero Action Plan" of Redeia.
- Analysis of the future annual report, and progress in defining its structure and alignment with the proposed European Corporate Sustainability Reporting Directive.
- Approval of the Committee's Action Plan for 2023.
- Approval of the schedule of Committee meetings for 2023.
- Approval of the Committee's Annual Activities Report for 2021.

## 4 Directors' attendance at meetings

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In 2022, the Sustainability Committee held eleven (11) meetings, all of them ordinary, reporting the same number of times to the Board on the activities performed by the Committee. The meetings were attended either in person or by video-conference. Over the course of the year there was only one absence, where a director designated a proxy with instructions, and there were a total of 30 attendances, for an attendance rate of 96.77%.

To this end, we must take into account the existence of a vacancy in two meetings of the Sustainability Committee attended by two members as a result of the resignation of Ms María Teresa Costa Campi, effective from the end of the Board meeting held on 29 March 2022, until the date of appointment of Ms Esther María Rituerto Martínez as a member of the Sustainability Committee on 31 May 2022.

## 5 Conclusions

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On the basis of the above, the Sustainability Committee considers that in 2022:

- The composition of the Committee was in line with the corporate provisions for such, being made up of members that have the relevant expertise in relation to the Committee's functions, with the majority of Committee members being independent directors.
- The Committee met more frequently than that in section 18 bis of the Board Regulations and when it was necessary in view of the matters to be addressed.
- All Committee meetings were attended, either in person or by video conference, by all its members (except for one meeting where one of the directors designated another of the members to be their proxy), who had the necessary information in relation to the different items on the agenda available to them, before the meetings, to be able to discuss and take informed decisions. When necessary, the Committee has also consulted external experts for advice.
- Lastly, the Committee performed all the functions assigned to it, in accordance with the Articles of Association and Board Regulations, and also in accordance with the Recommendations of the Good Governance Code for listed companies.

In accordance with the above, it can be concluded that the Sustainability Committee has complied with the rules set out in the Company's corporate texts in terms of composition, frequency of meetings, attendance and informed participation of its members, the Committee having dealt with the matters within its competence in 2022.

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