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Valuing the essentials

SUSTAINABILITY COMMITTEE
20 February 2024

Sustainability Committee Activities Report for 2023

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1 Introduction

Under Section 18 TER(k) of the Board Regulations of Redeia Corporación, S.A. (the "**Company**"), the Sustainability Committee's Annual Action Plan for 2024 includes the preparation of an annual report on the activities of the Committee performed in 2023, which is the object of this document.

Article 24 bis of the Articles of Association deals with the structure, composition, functions, and duties of the Sustainability Committee (the "**Committee**"), implemented in sections 18 Bis and 18 TER of the Board Regulations. Both these sets of corporate rules are fully in line with the latest amendments to the Corporate Enterprises Act, the Code of Good Governance of Listed Companies, and the most recent international practices and recommendations concerning the composition of committees and the independence and qualifications of committee members.

2 Composition

Article 24 bis of the Board Regulations *Articles of Association* and section 18 bis of the *Board Regulations* stipulate the composition of the Sustainability Committee. According to those provisions, the Committee is to consist of three (3) members appointed from among the non-executive directors, and the majority of its members must be independent directors, as is in fact the case at this time. Pursuant to those same provisions, the Committee's Chair is to be an independent director chosen by the Committee from among its members, and the Board Secretary is to act as Secretary.

The Board appoints, reappoints, and removes Committee members at the proposal of the Board Chair subsequent to a report by the Appointments and Remuneration Committee, endeavouring to ensure that they have the knowledge, skills, and experience suited to the Committee's functions. Committee members are appointed to terms not to exceed four (4) years. They may be reappointed, and they cease to sit on the Committee when they cease to be directors or whenever the Board decides subsequent to a report by the Appointments and Remuneration Committee. The Chair must be replaced every four (4) years and may be reappointed.

The composition of the Sustainability Committee from 1 January to 31 December 2023 was as follows:

Director	Position	Director category
Carmen Gómez de Barreda Tous de Monsalve	Chair	Independent non-executive
Esther María Rituerto Martínez	Member	Proprietary non-executive (SEPI)
Elisenda Malaret García	Member	Independent non-executive

Accordingly, in compliance with the requirements set forth in the Company's regulations and corporate governance best practice, 66.66% of the members of the Sustainability Committee, including its Chair, are independent directors, 33.33% are proprietary directors, and no executive director sits on this Committee. Furthermore, 100% of the Committee members are women, a figure that has remained constant since 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.

No Sustainability Committee members were appointed, reappointed, or removed in 2023.

Details on the members of this Committee and their professional career are available on the Company's [website](#).

The Secretary of the Committee was Carlos Méndez-Trelles García, current Board Secretary, by virtue of his appointment to that position by the Company's Board at the proposal of the Appointments and Remuneration Committee on 26 May 2020.

3 Responsibilities and activities

Article 24 bis of the [Articles of Association](#) states that the Company is to have a Sustainability Committee and stipulates its basic composition and functions. The structure, composition, and functions of the Sustainability Committee are specified in greater detail in sections 18 bis and 18 ter of the [Board Regulations](#).

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 Redeia, sustainability disclosures in accordance with international benchmarks, review and validation of reports concerning specific areas of sustainability, and oversight of compliance with and review of the Code of Ethics and Conduct.

The Committee must meet at least on a quarterly basis and when called by its Chair or at the request of two of its members, and whenever the Board or the Board Chair asks it to issue a report or submit proposals.

Section 18 bis(4) of the Board Regulations stipulates that meetings may be called, furnishing the associated documents, by electronic means that ensure suitable security and confidentiality of the notice of meeting and the related documents.

This call notice, which must include the agenda, is to be sent by the Committee's Chair or Secretary to each Committee member at least three (3) days before the scheduled meeting date, 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 any other means of remote communication that allow them to be held, provided that all Committee members agree.

Committee meetings may be held when attended by a majority of its members and may pass 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.

3.1 Activities performed in 2023

At its meeting held on 13 December 2022, the Sustainability Committee approved its Annual Action Plan for 2023, having in mind the responsibilities assigned to it in the Articles of Association and the Board Regulations. An Action Plan is approved and evaluated annually.

The Sustainability Committee reports to the Board on its activities at the next Board meeting held after each Committee meeting and makes the session documents and a copy of the meeting minutes available to all directors on the intranet's "directors portal". The Board and the Company's management have

provided the Committee with adequate, timely, and sufficient access to information, ensuring that the Committee has sufficient resources to carry out its mission.

The Sustainability Committee held 11 meetings in 2023 and reported the details of the activities carried out by the Committee to the Board for all meetings. All the Committee members were present at all the meetings, either in person or by video conference. There were no absences and no attendance by proxy, i.e., of the 33 possible times members could have been present, the attendance rate was 100%.

The Board Chair and the CEO do not attend Committee meetings. In 2023, the Corporate Director of Sustainability and Studies, the Sustainability Department Head, the Corporate Director of International Relations, Communication, and Territorial Affairs, the Corporate Chief Financial Officer, the Director of Risk Management and Internal Audit, the Procurement Director, the Organisation, Compensation, and Employment Relations Department Head, the Corporate Governance Department Head, the Transformation Coordination Project Department Head, the Statistical Information and Analysis Department Head, and the Suppliers and Supply Management Department Head all attended some of the Committee's meetings upon invitation by the Chair at the request of the Committee itself, in all cases solely to report on matters within their areas of responsibility and with safeguards to protect the independent functioning of the Committee in place at all times.

The main tasks performed by the Committee in 2023 included, for instance, the following (section 18 ter of the Board Regulations):

- Assessment and regular monitoring of the Sustainability Management Objective for 2023.
- Evaluation of fulfilment of the 2022 Sustainability Management Objective.
- Follow-up of the 2020-2022 Sustainability Plan (as of 31 December 2022).
- Analysis and monitoring of the Redeia Circular Economy Road Map.
- Assessment and submission to the Board of the Redeia Code of Ethics and Conduct Annual Management Report for 2022.
- Analysis of Redeia's Risk Map in the area of Sustainability (ESG).
- Analysis of the progress made in delivering the Internal Control over Non-Financial Information Reporting (ICNFR) System and a favourable report to the Board on Redeia's Non-Financial Information Statement (NFIS) for 2022.
- Evaluation of the recommendations of the external reviewer (EY) resulting from verification of the contents of the NFIS.
- Assessment of updates to the Corruption and Fraud Prevention Guide.
- Analysis of the 2023-2025 Sustainability Plan (long-term objective fulfilment model) and its half-yearly monitoring.
- Analysis and approval of the contents of the sections of the Annual Corporate Governance Report for 2022 within the scope of the competencies of the Sustainability Committee.
- Assessment of the 2022 Sustainability Report and submission to the Board for approval.
- Evaluation of the resolutions proposed by the Board at the Annual General Meeting for 2022 within the scope of the functions of the Sustainability Committee.
- Analysis of the report on Redeia's contribution to the Sustainable Development Goals (SDGs) in 2022.
- Analysis of fulfilment of Redeia's 2022 Environmental Plan.

- Evaluation of the criteria used to identify Redeia's stakeholders in sustainability matters.
- Assessment of the results of perception surveys of Redeia's stakeholders in 2022 and planned activities for 2023.
- Analysis of the 2022 Diversity Report.
- Evaluation of progress made in adapting the Ethics and Compliance Channel Management System to the Spanish Anti-Corruption and Whistleblower Protection Act [*Ley 2/2023, reguladora de la protección de las personas que informen sobre infracciones normativas y de lucha contra la corrupción*].
- Assessment of the proposals to update Redeia's (i) Environmental Policy, (ii) Climate Change Commitment, (iii) Biodiversity Commitment, and (iv) Commitment to protect flora and combat deforestation and submission to the Board for approval.
- Evaluation of the main new developments and criteria included on the Dow Jones Sustainability Index for 2023 and Redeia's preliminary results in connection with that index in 2023.
- Evaluation and monitoring of Redeia's 2023-2025 Comprehensive Diversity Plan.
- Assessment of the Annual Impact Report for 2022.
- Evaluation of sustainability criteria in procurement processes.
- Assessment of the 2030 Climate Change Action Plan.
- Evaluation of the high-level risk situation and special monitoring report in relation to Sustainability (ESG) for the first half of 2023.
- Assessment of progress made in respect of the matters considered in the Corporate Sustainability Report for 2023 and of the European Reporting Standards (ESRS) and their application to Redeia.
- Evaluation of the report on the renewed boost for Redeia's social and environmental strategy by implementing a new comprehensive impact management model in line with the measures established in Redeia's Zero Action Plan.
- Analysis of Redeia's annual tax transparency report for 2022.
- Approval of the Committee's 2024 meeting schedule.
- Assessment of the main international global biodiversity milestones in 2022, 2023, and 2024 and the main extant reporting tools and frameworks, and an analysis for delivery by Redeia of a Biodiversity Action Plan.
- Analysis of the ESG profile results in the S&P (DJSI) and MOODY'S (EURONEXT) assessment process.
- Assessment of progress made in reviewing sustainability information reporting in 2023.
- Approval of the Committee's 2024 Action Plan.
- Approval of the Committee's Annual Activities Report for 2022.

4 Considerations and conclusions

Based on the above, it is the Sustainability Committee's **considered opinion** that in 2023:

- The composition of the Committee was in line with the provisions of law and the Company's own provisions, consisting 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 the minimum stipulated in section 18 bis of the Board Regulations, whenever 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, who before the meetings had the necessary information in relation to the different agenda items at their disposal so that they could deliberate 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 in terms of composition, frequency of meetings, attendance, and informed participation of its members, the Sustainability Committee has complied with the rules stipulated by law and in the Company's corporate texts and that the Committee dealt with the matters within its competence in 2023.

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