



PURPOSE

To establish the principles governing the commitment of the Red Eléctrica Group to preventing, detecting and responding to any conduct which may constitute an act incompatible with the legal obligations and commitments voluntarily undertaken by the company.

This Policy contains the express commitment of the Red Eléctrica Group to comply with the criminal and anti-bribery legislation applicable to the organisation, as well as the repudiation of any action of a criminal nature.

Supporting and complying with the principles contained in this Policy contribute to meeting the corporate goal, as well as to achieving the strategic objectives thereof, consistent with the values, principles and conduct guidelines set forth in the Code of Ethics and Conduct of the Red Eléctrica Group.

SCOPE OF APPLICATION

This Policy is applicable to all companies in which the Red Eléctrica Group has a controlling interest. It is the responsibility of all the members of the Red Eléctrica Group to comply with this Policy in the exercise of their roles and responsibilities, and in all professional fields in which they represent the organisation.

In those investee companies in which the Red Eléctrica Group does not have effective control, principles consistent with those set forth in this Policy will be implemented.

PRINCIPLES

- To act at all times according to the applicable legislation and the commitments willingly undertaken by the company.
- To promote an ethical and compliance culture, based on a zero-tolerance policy against illegal acts and supporting ethical conduct, according to the principles set out in the Code of Ethics and Conduct of the Red Eléctrica Group.
- To develop an effective compliance system, according to best practices and with a global scope to all regulatory areas applicable to the activities and tasks carried out by the company and, specifically, the area applicable to criminal and anti-bribery regulations.
- To disclose among the members of the organisation the rules, policies and procedures to be applied to carry out their duties, as well as the consequences of non-compliance.
- To raise awareness, train and encourage the members of the organisation about the importance of behaving according to the applicable legislation and of complying with the commitments willingly undertaken by the company.



- To promote self-control processes in the actions and decision-making by the corporate members, in order to take into account the concurrence of four basic premises: (i) that the action is carried out according to the Code of Ethics and Conduct of the Red Eléctrica Group; (ii) that it is legally valid; (iii) that it is aligned with the corporate strategic objectives; (iv) that it is included in the scope of corporate powers and, therefore, that it should accept the corresponding responsibility thereon.
- To ensure that the corporate relationships with its stakeholders are governed by an ethical, transparent conduct and in compliance with the commitments undertaken thereon.
- To cooperate with judicial, administrative bodies or any national or international supervisory body, to ensure compliance with legal obligations by the Red Eléctrica Group.
- To establish the due diligence measures in terms of ethics and compliance required for an adequate selection and monitoring of business partners or third parties with whom the Group has or intends to have relationships of any nature.
- To provide a quick and effective response to potential irregular and/or illegal situations, making available to the corporate members and stakeholders an ethical and compliance channel to report suspicious actions and non-compliance, guaranteeing confidentiality and protection of fundamental rights.
- To promote among the corporate members the duty to report suspicious actions or non-compliance, including those related to criminal and anti-bribery matters, and to ensure the indemnity of the claimant acting in good faith.
- To provide the compliance duty with autonomous powers of initiative and control, being responsible to supervise the operation and effectiveness of the Compliance System and the effectiveness thereof.

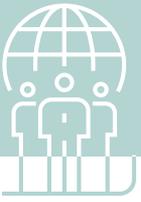
The Red Eléctrica Group has a global compliance system setting the objectives and the inter-related elements established by the company to comply with the principles herein set forth.

OBJECTIVES OF THE COMPLIANCE SYSTEM

The Red Eléctrica Group has adopted the will to promote an ethical and compliance culture, which implies respect for the applicable regulations and the commitments willingly undertaken, as well as the alignment with the best practices in terms of compliance.

The Compliance System of the Red Eléctrica Group includes the action criteria and the corporate elements of control, preventing non-compliance of the obligations and commitments in its area of business.

- To establish a control and supervision system to mitigate the corporate compliance risk.
- To make available to the entire organisation the content of the principles and rules governing the actions thereof in the Group and the necessary instruments to implement them.



- iii. To optimise and improve compliance risk management.
- iv. To make the members of the Red Eléctrica Group aware of the relevance of the Compliance System and the necessary alignment of their conduct to the conduct values and guidelines of the Code of Ethics and Conduct.
- v. To formalise the commitment of the Red Eléctrica Group to prevent any conduct contrary to the applicable legislation and the commitments willingly undertaken by the organisation.
- vi. To inform the individuals subject to the Compliance System that the violation of the principles and guidelines of the System results in the imposition of disciplinary measures.
- vii. To establish adequate control measures to mitigate the corporate compliance risk, as well as reaction and correction measures when non-compliance is detected.
- viii. To keep supporting evidence of compliance with corporate obligations and commitments.

ELEMENTS OF THE COMPLIANCE SYSTEM

The Compliance System carries out its activity in order to identify the compliance risks in the organisation and prevent them from materialising, relying for those purposes on actions including prevention, detection and response to the above-mentioned risks.

The Compliance System involves the corporate organisation, prevention, management and control model of compliance risks, and includes the following elements for those purposes:

- i. A Code of Ethics and Conduct, which formalises the commitment of the Red Eléctrica Group to business ethics and which constitutes the fundamental standard governing the professional activity of corporate members and before the stakeholders thereof.
- ii. A Compliance Policy, which evidences the organisation's repudiation of any illegal behaviour, and its commitment to ethics and compliance, by implementing those practices which allow the development of a comprehensive action by the organisation and its members.
- iii. Setting a compliance duty, which has been endowed with autonomous powers of initiative and control, and which has been entrusted with the responsibility to control and supervise the implementation of the Compliance System.
- iv. A compliance scheme in which the corporate compliance risks and the corresponding mitigating key internal controls are identified and evaluated.
- v. Policies, procedures and financial and non-financial controls mitigating the compliance risks identified. The policies, procedures and financial and non-financial controls making



- up the management system of the corporate resources and allowing to prevent non-compliances are specifically included.
- vi. Adequate human, material and financial resources for a correct and efficient operation of the Compliance System.
 - vii. A control and supervision system allowing the Red Eléctrica Group: a) to monitor the control supervision process; b) to monitor changes in compliance risks and c) to draw up proposals to improve controls or to create new controls to increase compliance risk coverage.
 - viii. An ethical and compliance channel easily accessible to all stakeholders set up to make enquiries, to report suspicious actions and non-compliance, which allows the Red Eléctrica Group to ensure the anonymity of those requiring it, to be aware of and react to possible irregular and/or illegal situations.
 - ix. A disciplinary system applicable according to the provisions set forth in labour legislation, in the collective agreement and the internal rules of the organisation.
 - x. Regular verification of the Criminal Compliance and Anti-bribery System, with special effect when significant violations have been indicated, in case of changes in the organisation, in the control structure or in the activities thereof.

The Compliance System is of a dynamic nature, subject to a continuous supervision, updating and improvement process, which takes into account, among other circumstances: the changes produced in the applicable regulations; the modifications of the corporate internal structure, or the know-how acquired through the practical experience of the application of the above-mentioned system.

GOVERNANCE MODEL OF THE COMPLIANCE SYSTEM

The Board of Directors is responsible for the approval of the Compliance Policy, and has the duty to approve the general policies and strategies, as well as to monitor the internal control systems.

The Audit Committee supports the Board in matters related to compliance with legal provisions and internal regulations, among other matters, by means of the following powers:

- To supervise and evaluate the operation of the compliance system of the Group companies on a regular basis, to submit to the Board any improvement proposals which may be deemed appropriate and to supervise the annual compliance report, working closely with the rest of the committees within the scope of the powers thereof.
- To supervise the Criminal and Anti-bribery Compliance System and to submit to the Board, through the Appointments and Remuneration Committee, according to the powers thereof,



the proposals to improve the System which it may deem appropriate. To supervise the annual criminal compliance and anti-bribery report prepared by the control and supervision body of the System, before being submitted to the Board of Directors.

In relation to the rules and proceedings in Corporate Governance, the Appointments and Remuneration Committee is responsible to periodically review the Criminal and Anti-Bribery Compliance System of the Company and to recommend to the Board of Directors the modifications and updates contributing to its continuous development and improvement, taking into account, where appropriate, the recommendations and proposals made by the Audit Committee and the control and supervision body of the System, working closely with the powers attributed thereto.

The compliance duty includes the following tasks, among others: to design, implement and develop the Compliance System of the Red Eléctrica Group, setting up an independent second line of defence coordinated with the operational and internal audit areas, to contribute to achieve the strategic objectives by setting an adequate internal control system.

This **Compliance Policy** was approved in its 2nd edition by the Board of Directors on 27th July, 2021.