

Criteria for reporting economic-financial, non-financial and corporate information for shareholders, institutional investors, proxy advisors and other stakeholders



1. Justification

The Regulations of the Board of Directors of Red Eléctrica Corporación S.A. (hereinafter referred to as 'the Company') establishes among the non delegable powers of the Board, the approval of a Disclosure and Dialogue Policy with shareholders, institutional investors and proxy advisors.

The Board of Directors of the company made use of these powers in the session held on 25 October 2016 to approve the "Criteria for reporting for shareholders, institutional investors and proxy advisors".

Following the update of the Code of Good Governance for listed companies (in Spanish, CEGSC) by the Spanish National Securities Market Commission (CNMV) in June 2020, the Board of Directors approved an update of the criteria in the session of 22 December 2020 to adapt them to the CBGSC, specifically point 4 of the Code which states that the company must define and apply a policy for communication and contact with shareholders and investors and proxy advisors in relation with economic-financial, non-financial and corporate information that would support the widest possible distribution and the quality of the information available for the market, investors and other stakeholders. The updated criteria are now called **Criteria for reporting economic-financial information, non-financial and corporate information for shareholders, institutional investors, proxy advisors and other stakeholders**".

2. Object

To establish the principles and guidelines for communication with shareholders, investors and proxy advisors, to guarantee the adequate exercising of their rights and interests and to foster commitment with shareholders through an open, transparent and permanent dialogue.

Similarly, to establish general criteria for reporting economic-financial, non-financial and corporate information that supports the widest possible distribution and the quality of the information available for the market, investors and other stakeholders, without prejudice to the legal obligations about disclosing insider information and other types of regulated information.

3. Scope of application

Red Eléctrica Corporación S.A. and the companies in the Red Eléctrica Group.

4. Basic principles and guidelines

- Apply the principles of excellence and incorporate and promote best practices in the field of communication and contact with shareholders, institutional investors and proxy advisors who are fully compliant with rules over market abuses, establishing mechanisms suited to handling regular information exchange.
- Encourage knowledge of the activities of the Group and its leading role in the sectors where it operates, with the main different types of initiatives that it carries out in the areas where it is among the main stakeholders.
- Promote the commitment of the Company and its Board of Directors to shareholders, institutional investors and proxy advisors, in order to permanently improve relations and strengthen mutual trust.
- Ensure transparency, truthfulness and immediacy in the publication of information, respecting the procedures established by the Company.
- Guarantee that the economic-financial, non-financial and corporate information provided meets the most demanding criteria for quality, reliability, clarity and integrity, ensuring that the standards demanded in the relevant legislation are met and that the best practices are applied.
- Ensure equality and non discrimination in the treatment of all shareholders by providing them with symmetrical information, without prejudice to the establishment of specific communication and information channels for each target group.
- Establish and promote the most effective channels for shareholders, institutional investors, proxy advisors and other stakeholders to have permanent and continuous access to the updated information.

- Promote information practices and relations with the markets, stakeholders and society in general that are transparent, effective and in line with the interests of society.
- Protect the legitimate rights and interests of all shareholders.
- Pay special attention to the rules on the treatment of inside information and other information of importance, relations with shareholders, and with the markets, provided for in the applicable legislation and in the corporate rules of the Company (Regulations of the Board of Directors, Internal Code of Conduct in the Securities Market, the Regulations of the General Shareholders' Meeting and the Code of Ethics and Conduct).

5. Communication channels

a) National Securities Market Commission (CNMV)

The Company discloses inside information and other important information in accordance with the applicable legislation, reporting it formally to the CNMV prior to its disclosure by any other means, as soon as the event is known, the decision adopted or the agreement or contract with third parties signed, as established in the Company's Internal Code of Conduct in the Securities Market. Said information is also incorporated simultaneously into the corporate website.

It is the responsibility of the Steering Committee to determine the need to send a report of inside information¹ to the CNMV, as well as its drafting, revision and authorisation for disclosure through the authorised interlocutors designated by the Company for this purpose.

The information reported to the CNMV may not be disclosed by any other means without previously notifying the CNMV for publication on its website. The information sent to the CNMV through the publication of notifications on its web site is immediately regarded as public knowledge. The content of the information disclosed to the market by any information or communication channel other than the CNMV must be coherent with the information sent to this committee.

b) Company website

The company website is one of the Company's main communication channels with all its stakeholders. This channel is used to inform all the activities carried out, its commitments to the regions where it operates, promote the brand image and promote the activities of the Group, in accordance with the content of the Red Eléctrica Group's Code of Ethics and Conduct.

In accordance with the stipulations of the Spanish Companies Act (LSC), the Regulations of the Shareholders' Meeting and the Company's Corporate Governance Policy, the corporate website is the principal medium of communication with shareholders, institutional investors and the markets, through which the most significant corporate information must be reported and maintained accessible and updated.

The information provided through said corporate website complies with the principles of transparency, equality, immediacy and symmetry, and is incorporated simultaneously, whenever possible, in Spanish and English, with the Spanish version prevailing in the case of any discrepancy.

The website has, among other sections, a specific space dedicated to Shareholders and Investors and a section on Corporate Governance that are permanently updated, favouring the immediacy of its publication, in order to ensure that transparency is the priority value that shapes the relationships between the Company and its shareholders, the markets and the general public.

The presentation of results, in particular, shall be broadcast live on the corporate website, with simultaneous translation into English, providing the possibility for those interested to ask questions. In this regard, the Company shall keep the broadcast of the whole act for each presentation of results available on the company website for a reasonable period of time. Similarly, the annual and six-monthly financial reports shall be available on the website along with, where relevant, the quarterly management reports.

¹ Definition contained in the EU Regulation no. 596/2014 of the European Parliament and Council, of 16 April, on Market Abuses.

The website shall also have a press office section for the media which includes, among other features, information about the company and its main activities, with audio-visual material and direct links to other company communication channels, such as blogs or social media profiles

In addition, the Company edits and publishes on its website, a quarterly Shareholder's Newsletter that includes the highlights in said period that affect the Company.

The Sustainability section publishes the most important non-financial information, including annual documents such as the Sustainability Report, the Environmental report, the Healthy Workplace Report, the Talent Management report and the Tax Transparency report and others.

It is the responsibility of the Communications Department to manage the website, coordinating with the corresponding organisational units so that the structure and contents of the website are kept up to date and accessible.

c) Social networks

The Company encourages its presence in social networks, in which, without prejudice to the fulfilment of its legal obligations, it seeks to disseminate information of interest on the progress and activities of the Red Eléctrica Group. The company has its own social network channels that are widely followed by users and which have a significant global presence.

The public reporting of insider information through social media only happens once it has already been disclosed to the National Securities Market Commission, adapting it to the Criteria and Requirements set by this Commission for making this type of information public.

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d) Annual General Shareholders' Meeting

The Board of Directors promotes the informed and responsible participation of the shareholders at the General Shareholders' Meeting and adopts the necessary measures to ensure that it is carried out in accordance with the Law and the corporate governance rules of the Company.

The information related to the General Shareholders' Meeting is published on the corporate website, in Spanish and in English, from the moment it is convened.

The Company makes available to its shareholders, prior to the General Shareholders' Meeting, other channels of communication that it deems appropriate, such as the shareholder's electronic forum or any other which may be established, as well as all information that is legally required or, even if it's not, may be of interest to them and can be reasonably furnished. Similarly, the Company responds with the greatest diligence to requests for information and questions formulated by shareholders prior to or during the General Shareholders' Meeting.

The General Shareholders' Meeting is broadcast live through the corporate website, with simultaneous translation into English and sign language in Spanish, and once it ends, the recording of it may be viewed on the corporate website.

The Company seeks to ensure that the General Shareholders' Meetings is the object of discussion and reporting on social networks, and to this effect, it publishes the main headlines of the event in real time on the web and incorporates photos of the live event via the various channels of the Company.

e) Shareholders' Office

It is set up as a specific and permanent channel of the Company with its shareholders, allowing them to interact directly with the Company through the free phone number of the shareholders' office or via an e-mail address (*accionistas@ree.es*).

f) Relations with institutional investors and analysts

The area of Investor Relations, which is part of the Company's Finance & Economic Corporate Area, is the channel for communication with shareholders, institutional investors, analysts and proxy advisors, available via the email address (*relacioninversores@ree.es*). This unit is permanently assigned to deal with queries and requests, obtaining the

information requested from the different company departments responsible for preparing it for disclosure to the market, in order to ensure the consistency and coherence of the information.

In order to strengthen our communication with shareholders, investors, analysts and proxy advisors, there are informative meetings (roadshows, conferences, presentation, webcasts etc.) about the company and group's progress, with the participation, where relevant, of members of the Board of Directors, the Lead Independent Director, Secretary of the Board of Directors and members of the board. In no case do these meetings involve the disclosure of information that may result in a privileged or advantageous situation with respect to other shareholders, in compliance with the principle of equal treatment of all shareholders who are in identical conditions and are not affected by conflicts of interest or competition.

The Board of Directors is regularly informed of the main relationships the Company's maintains with the main shareholders, institutional investors and analysts of the Company.

g) Communication channels with proxy advisors

Proxy advisors are entities that provide advisory services to investors, primarily institutional investors, on the exercise of their voting rights derived from their ownership of shares in listed companies.

The Secretary of the Board of Directors, who is responsible for overseeing the corporate governance of the organisation under the guidelines of the Board of Directors, is the interlocutor with proxy advisors and support for the investor relations department, dealing with their queries about corporate governance in relation with the proposed agreements submitted to the Shareholders' Meeting, providing them with the corresponding explanations. Additionally, a two-way and permanent communication is promoted, so that recommendations can be based on the unique knowledge of the Company, allowing commitments and a sustainable dialogue to be maintained.

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6. Reporting and supervision

This document of "Criteria for reporting financial, non-financial and corporate information with shareholders, institutional investors, proxy advisors and other stakeholders" must be published on the Company's website and updated as necessary. The Board of Directors, which will review it when it deems it necessary or convenient, is the competent body to approve any modification thereof.

Similarly, it is the responsibility of the Board of Directors to supervise compliance with these Criteria, so that the Board will be informed when appropriate.

The **Criteria for communication with shareholders, institutional investors, and proxy advisors** were approved by the Company's Board of Directors in the session held on 25 October 2016 and were updated by the Board in the session held on 22 December 2020 with the title **Criteria for reporting economic-financial, non-financial and corporate information with shareholders, institutional investors, proxy advisors and other stakeholders**.

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