



Integrity model

Guide for the prevention of
corruption and fraud:

Zero tolerance



January 2023



Index

1	Introduction	1
2	Object and scope of application of the Guide	5
2.1	Object	6
2.2	Scope of application.....	6
3	Fundamental guidelines for the prevention of corruption and fraud	7
4	Specific guidelines of conduct to prevent corruption and fraud.....	9
4.1	Relations with public officials.....	10
4.2	Contributions to political parties or organizations	12
4.3	Collaboration agreements, donations, sponsorships, and other forms of cooperation.	13
4.4	Gifts, hospitality, and invitations.....	14
4.5	Business relationships with clients and other business partners	16
4.6	Managing conflicts of interest.....	17
4.7	Protection of information.....	18
5	Management system for the prevention of corruption and fraud.....	21
5.1	Monitoring and supervision of corruption and fraud prevention	22
5.2	Culture of anti-corruption and anti-fraud	22
5.3	Due diligence for the prevention of corruption and fraud	23
5.4	'Whistle-blowing' and compliance Channel.....	23
6	Period of effectiveness	25
7	Documentation related to the Redeia's integrity and compliance model.....	27



1 Introduction



Redeia's commitment to integrity: ZERO TOLERANCE for corruption and fraud

Ethics and compliance are fundamental pillars of Redeia (hereinafter "the company") for proper business activity and to achieve its strategic goals. The company is committed to acting with maximum integrity, respecting its commitment to **zero tolerance for corruption, fraud** in all its forms, and the committing of other illicit acts in fulfilling the responsibilities entrusted to it and in its relationships with its stakeholders¹. The approval of this guide is proof of this commitment, encompassing the ethical values, principles, and guidelines of conduct included in the Redeia's Code of Ethics and Conduct and the principles established in its Compliance Policy.

Redeia's ethical values



RESPECT

We treat people with dignity and loyalty. We believe in diversity as an element of integration and enrichment, and we encourage diversity of perspectives and opinions as a driver of development.



INTEGRITY

Our conduct is coherent and honest. We act with full transparency, professionalism, and compliance with the commitments that we have made.



SUSTAINABILITY

We are conscious of our role in the light of society's present and future challenges. We create shared value with our stakeholders, applying responsibility and excellence, and seeking to advance society and improve the environment.

Redeia rejects and will prosecute any criminal activity that can put the company's reputation and sustainability at risk. Likewise, it also forbids the use of mechanisms that favour money laundering², which may be linked to crimes of corruption, tax evasion, or financing terrorism³, among others.

The company is bound to the United Nations Global Pact, whose Principle 10 is a commitment by signatories to avoid bribery⁴, extortion, and other forms of corruption, including fraud, and to develop specific policies and programmes to encourage transparency and fight against corruption and fraud.

Redeia accepts the principles defined by the United Nations Convention against Corruption, as well as its Sustainable Development Goals⁵, specifically Goal 16: "Peace, justice, and strong institutions," and the OECD⁶ Guidelines on Anti-Corruption and Integrity in the Public Sector, among other guidelines and international reference standards.

Redeia has a **Corporate Compliance System**, aligned with the best national and international practices, that includes a model of organization, prevention, and compliance risk management and control

¹ Redeia considers as stakeholders any groups affected by its services or activities and those whose opinions and decisions influence its financial results or affect its reputation. The chart of Redeia's stakeholders can be seen on the company's web page www.redeia.com

² Money laundering: This is the system of mechanisms designed to give the appearance of legality to goods or assets that have their origins in criminal activities.

³ Financing of terrorism: This is the supply, deposit, distribution, or gathering of funds or goods by any means, directly or indirectly, with the intention or knowledge that they will be used, wholly or in part, to commit any of the crimes included in the definition of terrorism under the applicable current law on this issue.

⁴ Bribery/Extortion: The offer or acceptance of any gift, loan, fee, reward, or other benefits for or from any other person as a way to induce another to act dishonestly or illegally in their role in a company. Bribery becomes extortion when the demand is accompanied by threats of harm against the person or the life of the people involved.

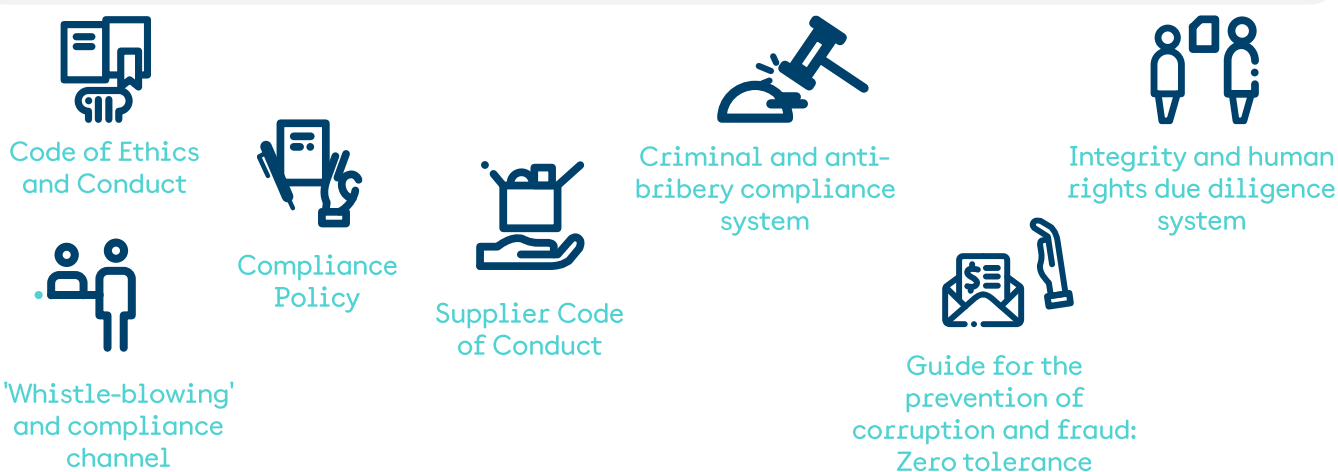
⁵ The Sustainable Development Goals (SDG) establish the UN's global agenda to respond to global challenges until 2030.

⁶ OECD. Organization for Economic Cooperation and Development.

that enables us to guarantee that they are correctly identified, suitably assessed, and that the control measures required to keep them within tolerable levels have been implemented and are working effectively. The fundamental elements of the Compliance System are:

- A **Code of Ethics and Conduct**, approved by the Board of Directors, that establishes the ethical values and is a global framework for conduct that must be applied to strengthen the shared commitment of all Redeia's personnel to the company's ethics. These ethical values are: respect, integrity, and sustainability.
- A **Compliance Policy**, approved by the Board of Directors, highlights the company's rejection of any illicit conduct, and Redeia's commitment to preventing, detecting, and responding to any act that is contrary to the legal obligations and commitments accepted by the company.
- A **'whistle-blowing' and compliance Channel** for sending enquiries and reporting suspicious activities and infractions in order to inform Redeia about possible irregular and/or illicit situations and react to them, as well as to ensure the channel's users' confidentiality, anonymity, and immunity.

Compliance System



Redeia has a specific **Criminal and Anti-bribery Compliance System**⁷ for the prevention, supervision, and control of criminal and bribery risks. The company continuously monitors and supervises the operation of the system through its governance and supervisory bodies in different areas of the company and by using external auditors. The development of the criminal and anti-bribery compliance system takes the applicable current legislation in the jurisdictions where Redeia operates into account, as well as the following national and international reference standards:

- UNE standard 19601 on Management system for criminal compliance, ISO 37301 on Compliance management systems, ISO 37001 on Anti-bribery management systems, and ISO 37002 on Whistleblowing management systems.
- OECD Guidelines on Anti-Corruption and Integrity in the Public Sector and legislation on corrupt practices abroad and in the U.S. Foreign Corrupt Practices Act (FCPA) and the U.K Bribery Act (UKBA).
- Transparency International's Practical Guide to self-assessment and reporting on regulatory compliance, good corporate governance, and prevention of corruption.

The criminal and anti-bribery compliance system, like the **System of Internal Control over Financial Reporting (ICFR)**, includes internal mechanisms, measures, and controls linked to preventing fraud.

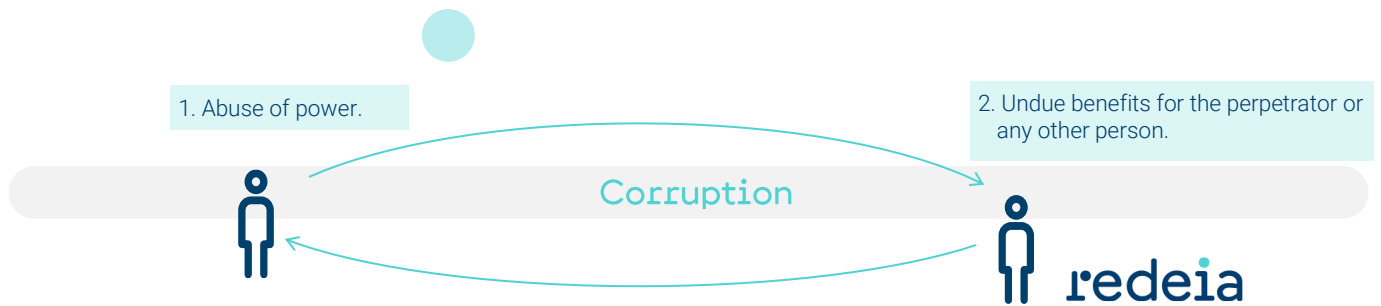
Reasons for a guide for the prevention of corruption and fraud

Corruption and fraud are obstacles that prevent society from progressing, weakening democratic systems and undermining the rule of law and social fairness. They cause severe damage to national economies and encourage the growth of organized crime.

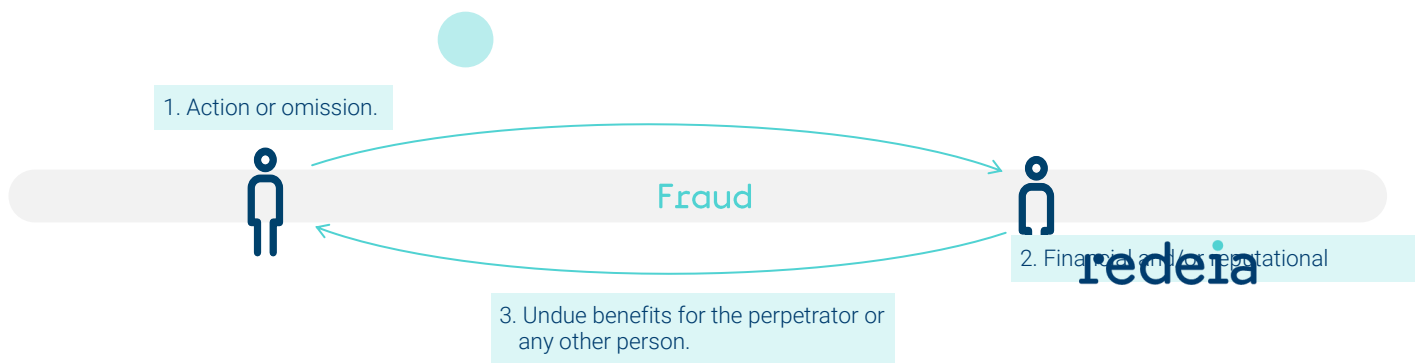
⁷ The Criminal and Anti-bribery Compliance System is in accordance with UNE Standards 19601:2017 on Management system for criminal compliance, and UNE-ISO 37001:2017 on Anti-bribery management systems.

Redeia is aware of the importance of preventing corruption and fraud and expresses its firm commitment that everyone who works for the company will act with full transparency and integrity in order to build trust among its stakeholders and contribute to the company's good image and reputation.

Corruption encompasses a broad concept, including but not limited to bribery, fraud, and misappropriation. Although there is no single definition of corruption, Redeia defines it as any abuse of entrusted power for personal or third-party gain, as defined by the United Nations⁸ and Transparency International⁹. This definition includes activities in both the public and private sectors and includes obtaining financial and non-financial advantages.



Redeia defines "**fraud**¹⁰" as any intentional act or omission that causes financial and/or reputational harm for the company while benefiting the perpetrator or any other person, whether affiliated with the company or not.



This guide is an essential component for encouraging habits associated with impeccable conduct among the people who form part of Redeia.

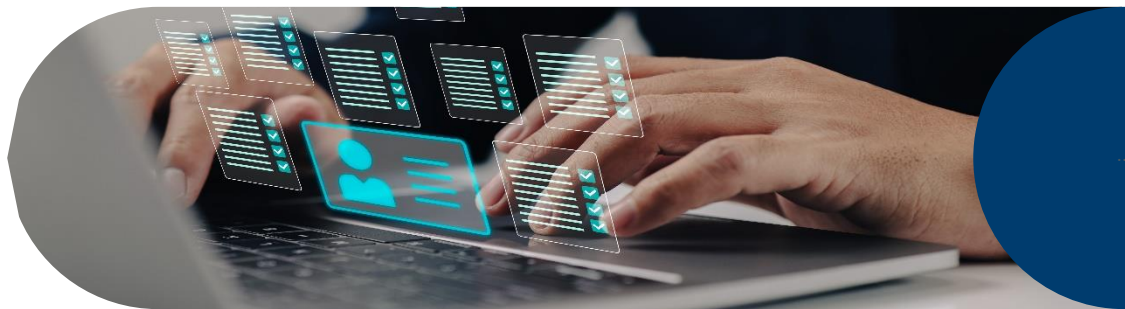
The guide review process has had the participation of Transparency International, an international reference entity in the prevention of corruption

⁸ United Nations Handbook. On practical anti-corruption measures for prosecutors and investigators. September 2004.

⁹ Transparency International. The Anti-Corruption Plain Language Guide. July 2009.

¹⁰ This definition is coherent with that established in the documents "Fraud Risk Management Guide" (issued by COSO, Committee of Sponsoring Organizations of the Treadway Commission) and "Managing the Business Risk of Fraud: A Practical Guide," issued by ACFE (Association of Certified Fraud Examiners), IAI (The Institute of Internal Auditors), AICPA (The American Institute of Certified Public Accountants).

2 Object and scope of application of the Guide



2.1 Object

The object of this Guide is to provide suitable guidelines so that the people who form part of Redeia can adapt and regulate their actions in terms of preventing corruption and fraud while respecting the companies' commitments to rejecting and prosecuting any conduct associated with corruption and fraud in any form.

To supplement this Guide, Redeia's companies have internal regulations that consider specific requirements for preventing and acting to prevent corruption and fraud.

This Guide offers Redeia's employees guidance for dealing with conflicts that they may come across in matters of corruption and fraud, explaining the conduct guidelines and the company's mechanisms for prevention and detection in these areas. The Guide cannot provide an answer for every situation that we may find when carrying out our professional duties, but it can establish general guidelines and rules of conduct so that the decisions we make are aligned with the ethical values accepted by Redeia.

Please refer to the content of the Code of Ethics and Conduct in those situations that can raise doubts about how to interpret the guidelines laid out in this Guide.

2.2 Scope of application

This Guide applies to everyone who is part of Redeia. This includes employees and members of the boards of administration of the companies whose majority of shares are held by Redeia in the course of their functions and responsibilities.

In companies where Redeia does not have a majority stake or where it does not control the board of directors, it will promote general guidelines and standards of conduct that are aligned with those laid out in this Guide and establish systems to oversee and monitor compliance.

Redeia will promote the transfer of the general guidelines and standards of conduct outlined in this Guide to its stakeholders, specifically its suppliers, via the Supplier Code of Conduct, the acceptance of which is a prerequisite for working with Redeia.

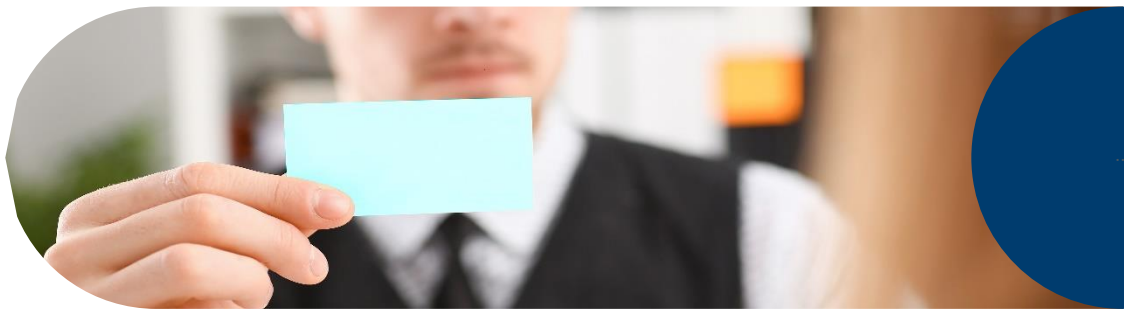
Redeia's personnel are under obligation to know and abide by the content of this Guide, and to adapt their conduct to the commitments and guidelines of conduct that it establishes. The exemplary conduct of the directors and administrative staff of Redeia, with their explicit commitment and support for the Guide is an essential aspect of its implementation.

The persons who form part of Redeia must be familiar with the rules related to their area of responsibility and keep in mind that when updating and applying this Guide it will be the strictest rule that shall govern any situation.



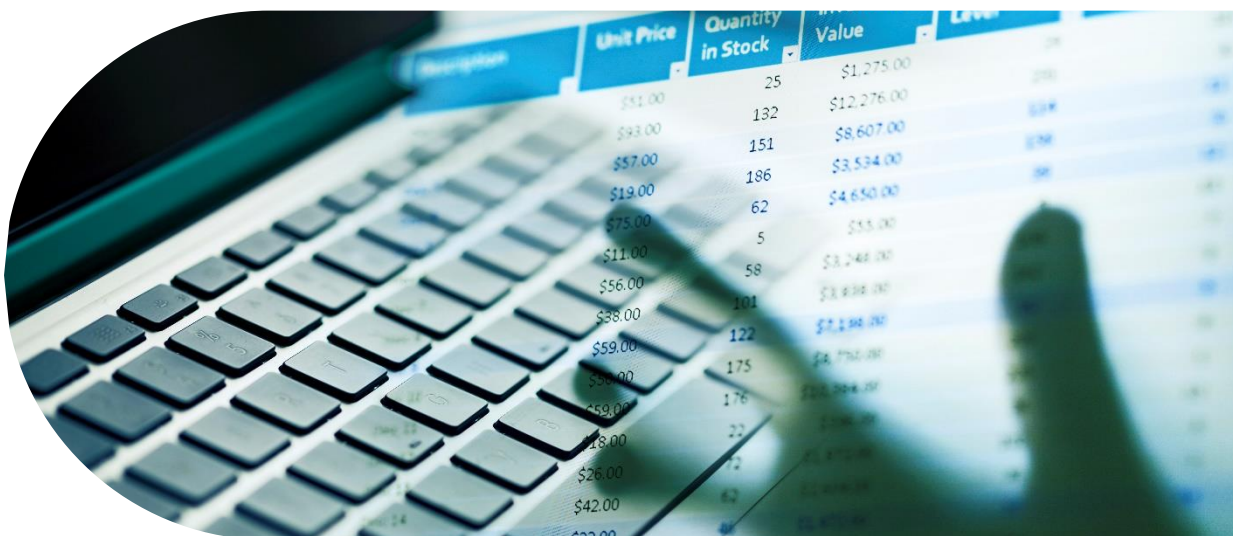


3 Fundamental guidelines for the prevention of corruption and fraud



The following are the basic guidelines that sum up Redeia's commitment to preventing corruption and fraud.

1. Avoid any conduct that could be interpreted as dishonesty towards Redeia and its stakeholders by providing truthful and transparent information.
2. Do not take any action that may give the appearance that Redeia is directly or indirectly involved in conduct that may be linked with corruption and fraud.
3. Avoid any conduct that may affect the impartiality of officials, authorities, or other third parties that Redeia may be dealing with.
4. Do not make payments of any kind that are not clearly justified in terms of amount, recipient, and purpose.
5. Do not ask for, accept, or offer any type of payment or illegal commission in the course of your business activities.
6. Do not contribute financially or in any other way to public bodies, governments, or public officials on Redeia's behalf to obtain an advantageous position or influence.
7. Do not make donations, subsidies, or loans on Redeia's behalf to political parties or organizations.
8. Do not make or accept any kind of gift, favour, or compensation from clients, suppliers, or third parties, except for those that have insignificant or symbolic value, and which correspond to normal levels of courtesy.
9. Act with loyalty towards Redeia and its stakeholders and with autonomy with regard to personal or third-party interests.
10. Use the company's information in a prudent, responsible, and lawful way, protecting it from loss, destruction, or illegal or unauthorized use.
11. Refrain from using confidential or privileged information to obtain benefits for yourself or third parties.





4 Specific guidelines of conduct to prevent corruption and fraud



The Redeia Code of Ethics and Conduct states the company's commitment to prevent corruption and fraud and the general guidelines of conduct to follow in this area, which are expressed in the specific guidelines of conduct included in this Guide.

4.1 Relations with public officials

What we mean

A **"public official"**¹¹ is understood to be any person with a legislative, administrative, or judicial role, or any person employed in the public sector, including for a public body or public company, or any employee or agent of a national or international public body, or any candidate for a public office.

The following are some examples of people who may be considered public officials for the purposes of this Guide.

- Public office holders in a local, regional, national, or international Public Administration, including the members of legislative bodies, holders of executive positions, and those of judicial or regulatory offices.
- Candidates for public offices.
- Government employees, including employees of ministries, councils, governmental agencies, or administrative courts.
- Public officials of international public bodies.
- Employees of public bodies that are linked to or dependent on the Public Administration and companies, except where the body or company operates under normal business conditions in the relevant market so that it is essentially the equivalent of a private enterprise.

What is our commitment?

Relations between Redeia and any national or international public officials must be governed by conduct based on integrity, transparency, and cooperation, acting with professionalism and honoring the commitments acquired with the stakeholders, rejecting any act intended to obtain an illicit advantage over the other subjects intervening in the market.

How we should act

1. Do not request, accept, offer, promise, give, or authorize any type of payment, in cash or in-kind, or any illegal commission to public officials or public employees in the course of business activities or under any other circumstances in any country where Redeia is operating or where it intends to do so.
2. Do not contribute financially or in any other way to public bodies, governments, or public officials on Redeia's behalf to obtain an advantageous position or influence.

¹¹ The following illicit acts can be identified as being committed in relation to public officials:

- Bribery of public officials: The act by which a person directly or indirectly promises, offers, or provides a gift or remuneration of any kind to an authority, a public official, or any private individual in public service to commit an act contrary to the inherent duties associated with their public function, or to omit or delay the action that corresponds to their official duties.
- Bribery of foreign public officials and international public bodies: The act by which a person directly or indirectly promises, offers, or provides a foreign public official or an employee of an international public body, in the course of their international business or other activities, an undue reward for their own benefit or for another person or entity, in exchange for acting or refraining from performing their official duties.

3. Facilitating payments¹² is prohibited, even when such payments might not be intended to attain an unjustified benefit. This prohibition shall not apply to payments made for official fees or for service payments specifically mentioned in the applicable laws.
4. Report conflicts of interest in which you may be involved or become aware of to a high-ranking¹³ public-sector official, national or international, or a member of their family unit.
5. Do not influence, directly or indirectly, the action of any public official by making use of any personal relationship you may have with them to obtain an advantageous situation for Redeia's companies.

What prevention and detection mechanisms do we have?

1. We assign supervisors and authorised persons to represent the company before the authorities and public bodies.
2. We establish different levels of empowerment and authorization depending on the nature and amount of the act to be performed.
3. We have centralized processing of incoming and outgoing payments for each Redeia's companies, in accordance with current authorization levels.
4. We have a responsible management model for the supply chain that ensures the separation of functions and transparent management.
5. We have centralised the management of enquiries and claims received from stakeholders through the 'whistle-blowing' channel as well as through corporate support services.

Practical scenarios

Situation 1

You need a visa for your next business trip abroad. The meeting is last-minute and you requested the visa with little time to spare. The Embassy official suggests that paying 50 euros in cash can guarantee the visa for the next morning.

This payment is considered a "facilitating payment," which our company does not allow. It means paying someone money in return for ensuring or speeding up the completion of an administrative procedure or of any required action to which the payer of the facilitating payment is entitled by law.

You must not make facilitating payments in the course of your professional activities in Redeia. If in doubt, remember that you can contact the Ethics Manager through the 'whistle-blowing' and compliance Channel.

Situation 2

A Redeia's employee is waiting for a decision from a Public Administration. He asks a friend who knows the public official responsible for the decision to speak to this person on his behalf to obtain a favourable decision for Redeia. In exchange, he promises to give his friend two tickets to an international sports tournament.

You must not influence a public official in their duty to obtain an unfair advantage for Redeia.

¹² Facilitating payments: Also called "facilitators" or "accelerators," are the sums of money paid in exchange for ensuring or speeding up a mandatory process or action over which the person responsible for the facilitating payment has a right conferred by law.

¹³ High-ranking official: Members of the Governing Council and all holders of offices in the public administration at a local, regional, national and international level, or in public bodies linked to or dependent on the same which, due to the implied level of trust or responsibility, are classified as high-ranking by the relevant applicable legislation.

4.2 Contributions to political parties or organizations

What we mean

Contributions to political parties or organizations are defined as any direct or indirect monetary or non-monetary contribution made in favour of political parties and their associated foundations in order to gain an advantage or influence. Political contributions include the provision of services or the use of facilities at no cost or at a non-commercial discount.

What is our commitment?

Relations between Redeia employees and political parties and organizations must be governed by the strictest integrity and transparency.

No monetary or non-monetary contributions shall be made to political parties, political organizations, public administrations, or governments, anywhere in the world, on Redeia's behalf, to gain an advantage or influence.

How we should act

1. We accept and respect political pluralism in the countries where Redeia operates and do not interfere in the political life of countries where the company operates or intends to do it.
2. Make no donations, subsidies, or loans on Redeia's behalf to political parties or organizations.
3. Avoid any activity that directly or indirectly may be interpreted as a donation to political parties or organizations, including the purchase of products or services whose profits go to one of these organizations.
4. Do not accept any kind of payment, in cash or in kind, or an illegal commission from a political party or organization as part of your business dealings or under any other circumstances.
5. Personal contributions from Redeia's employees to political parties or organizations, including political candidates, are not forbidden, including the provision of services outside working hours and without using the company's resources.

What prevention and detection mechanisms do we have?

1. The management of institutional relations is centrally coordinated for each Redeia's company.
2. We apply due diligence and integrity procedures to select and monitor third parties.
3. We require authorization, monitoring, internal reporting, and transparency for any donations and contributions made by Redeia.
4. We have centralized processing of incoming and outgoing payments for each Redeia's companies, in accordance with current authorization levels.
5. We establish different levels of empowerment and authorization depending on the nature and amount of the act to be carried out.
6. We have centralised the management of enquiries and claims received from stakeholders through the 'whistle-blowing' Channel as well as through corporate support services.

Practical scenario

Situation 3

A third party asks you to give money on Redeia's company's behalf for the campaign of a political party that you personally support.

You must not make financial contributions, or any other kind of contribution, to political parties or organizations on Redeia's behalf.

4.3 Collaboration agreements, donations, sponsorships, and other forms of cooperation.

What we mean

The following are just some of the different types of collaboration:

- **Collaboration agreement:** An agreement between two or more parties to work together to achieve a common goal. Both parties are understood to make a contribution (financial or not) to achieve this purpose.
- **Donation:** An agreement through which one asset is transferred free of charge to another person or entity that accepts this transfer. Unlike collaboration agreements, the entity that benefits from the donation has no obligation in return for the financial contribution.
- **Sponsorship:** An agreement in which the sponsored party allows the sponsor to make public their financial support and also, if so agreed, the sponsored party takes an active role in cultural, scientific, educational, sporting, or social activities.

What is our commitment?

The commitment to create shared value is manifest in Redeia through its collaboration agreements, donations, and sponsorships with public and private entities, and non-profit and non-governmental organizations.

The principle behind any action by Redeia in these categories must be to advance progress and well-being in the areas where the company operates, enhance its positive social impact for the development of the environment, and highlight the value provided by our activities, with the aim of increasing trust in Redeia and consolidating a stable and positive reputation.

The different collaborations shall be governed by ethical conduct, transparency, and compliance with Redeia's agreed commitments.

How we should act

1. Evaluate and select the proposed collaboration agreements, considering the criteria set out by the company and taking into account Redeia's purpose, mission, and values, as well as its social commitments.
2. Takes care that the relationships with third parties who enter into collaboration agreements are governed by honesty and transparency. Due diligence procedures for integrity will be carried out to ensure the careful selection and monitoring of these entities.
3. Do not make contributions for any purpose other than that which is authorized or for any action when there are doubts about its use, in case it is linked to an illicit end or private benefit.
4. Avoid engaging in actions that can arouse suspicion that the area of collaboration agreements is involved in corruption, tax fraud, or money laundering.
5. Do not sign collaboration agreements that can lead to potential conflicts of interest.

What prevention and detection mechanisms do we have?

1. We have defined a process for managing collaboration agreements and criteria for the objective assessment and selection of proposals for collaboration agreements.
2. We apply due diligence for integrity before signing any collaboration agreement.
3. We review any collaboration agreements to be signed, adding specific clauses for the ethical commitment and compliance of the parties.
4. There are different levels of signatures for agreements, depending on their nature, by the legal representatives of each company.
5. We exert centralized control over Redeia's subsidiaries.

6. We have centralized processing of incoming and outgoing payments for each Redeia's companies, in accordance with current authorization levels.
7. We have centralised the management of enquiries and claims received from stakeholders through the 'whistle-blowing' channel as well as through corporate support services.

Practical scenarios

Situation 4

You are negotiating a collaboration agreement with a private entity to sponsor an annual event about technology applied in the sector. This entity asks you to make a payment that is not mentioned in the corresponding agreement.

You cannot make this payment not mentioned in the collaboration agreement because the company prohibits any payment which is not clearly justified in terms of amount, recipient, and purpose, as this act could be linked to money laundering or any other criminal activity.

If in doubt, remember that you can contact the Ethics Manager through the 'whistle-blowing' and compliance Channel.

Situation 5

You are asked to make a donation to a charitable organization on Redeia's behalf, but you cannot identify the real beneficiary of the donation, and you are unsure about whether it may be linked to activities contrary to Redeia's ethical values.

You must not make this donation without previously applying the due diligence for the integrity of third parties to reduce the risk of Redeia becoming linked to third parties associated with money laundering, corruption, tax fraud, or any other criminal activity.

4.4 Gifts, hospitality, and invitations

What we mean

A **"gift"** is defined as any item of value that is openly given or received as a sign of gratitude. This definition includes promotional gifts in the context of business relations.

"Hospitality" or "invitations" are defined as any courtesy, generally of a social nature, that is offered or received in the context of business relations (travel, meals, accommodation, entertainment, cultural, or sporting events, among others).

This guideline of conduct excludes:

- a) Redeia's gifts to its own employees and gifts between employees (regardless of any hierarchical relation).
- b) Invitations made in the course of a current business relationship are acceptable as long as the invitation is compatible with typical acts of courtesy in the context of the business where it occurs.

What is our commitment?

Any gift, hospitality, or invitation must be offered and received in good faith, openly and transparently, in accordance with the values and principles established under Redeia's Code of Ethics and Conduct.

Gifts, hospitality, and invitations can only be offered and accepted as part of a strictly professional framework, in accordance with habits and customs, within the bounds of common sense, and never in exchange for undue advantage or benefit, and without possibly affecting or appearing to affect one's independence and objectivity.

How we should act

1. Do not make or accept any kind of gift, hospitality, or invitation from clients, suppliers, or third parties, except for those that have insignificant or symbolic value, which correspond to normal levels of courtesy and do not affect your independence and objectivity.
2. Before accepting or offering any courtesy, make sure that:
 - It is not offered or accepted for an illegitimate purpose or with the aim of exerting an influence that can affect independence and objectivity.
 - It is compatible with normal standards of courtesy, not exceeding 150 euros in value (or the equivalent in local currency) either individually or along with other courtesies offered or received within the same year.
 - Its frequency or the time when it occurs does not inspire any potential loss of independence or objectivity.
3. Any gift, hospitality, or invitation that does not meet the above requirements must be politely declined. When refusing is not possible or difficult, raise the issue with the Ethics Manager who will advise you on how to proceed.
4. Do not accept or offer cash, gift cards (or another support that allows money to be transferred), lottery cards, gifts, or presents contrary to Redeia's ethical values or which may damage its reputation. Regardless of the above, the Ethics Manager must be immediately informed of any offers of this nature that a Redeia's employee has been offered.
5. Gifts that comply with the requirements described above may only be received at the workplace and never in the employees' private homes or those of their relatives and/or friends.
6. Accept no gifts, hospitality, or invitations of any kind from suppliers during the bidding procedure, and do not offer this courtesy to clients when engaged in the presentation of business proposals.

What prevention and detection mechanisms do we have?

1. We set a maximum value for the gifts, hospitality, and invitations we accept or offer.
2. We require prior authorization from the Ethics Manager and a register of gifts, hospitality, and invitations that have raised doubts and those that, despite not meeting the criteria set, could not be returned.
3. The management of institutional gifts is centrally coordinated for each Redeia's company.
4. We have centralized processing of incoming and outgoing payments for each Redeia's companies, in accordance with current authorization levels.
5. We have defined a process for requesting, managing, and authorizing travel and associated expenses.
6. We have centralised the management of enquiries and claims received from stakeholders through the 'whistle-blowing' Channel as well as through corporate support services.

Practical scenarios

Situation 6

When negotiating the renewal of a contract, one of the suppliers offers you a ticket to see the final of a basketball competition sponsored by his company. You are involved in drafting the terms of the tender, and you are not sure whether you should accept this invitation.

You must not accept the invitation because you are involved in a tendering process that this supplier is participating in, and this could lead to a loss of independence and objectivity.

If in doubt, remember that you can contact the Ethics Manager through the 'whistle-blowing' and compliance Channel.

4.5 Business relationships with clients and other business partners

What we mean

By "**business relationships with clients**," we mean the interaction of Redeia's companies with a third party for the purpose of doing work or providing services for payment.

By "**business partners**," we mean those entities with whom we seek to achieve an objective in business, commerce, or innovation. This is achieved by setting up commercial companies, joint ventures, consortiums, associations, or any other type of business cooperation or collaboration.

What is our commitment?

Redeia bases its business relationships with clients and other business partners on the guidelines of conduct included in its Code of Ethics and Conduct, especially those of honesty and transparency, and rejects any act that would compromise these through engaging in fraudulent, corrupt, or illegal practices.

Business relationships with clients and other business partners must be governed at all times by open, ethical conduct, and compliance with the commitments accepted by Redeia.

How we should act

1. Ensure that relationships with clients and other business partners are governed by honest and transparent dealings by establishing suitable due diligence for integrity in their selection and monitoring.
2. Do not do business with third parties if you know of any violation of the regulations to prevent corruption and fraud.
3. Do not engage in fraudulent practices to obtain or retain a client or business partner.
4. Do not get involved in a conflict of interest in business relationships with clients and other business partners, which includes neither offering nor receiving incentives that affect the impartiality, objectivity, and transparency of business relations and decision-making.
5. Do not offer, give, or promise any unjustified benefit to our clients' employees, business partners, or family members.
6. Do not use your position as an employee or the knowledge acquired in your business activities to improperly favour your personal interests or those of a third party.

What prevention and detection mechanisms do we have?

1. We have set up different levels of required delegations and authorisations within the scope of contracting.
2. We have centralized processing of incoming and outgoing payments for each Redeia's companies, in accordance with current authorization levels.
3. We have a responsible management model for the supply chain that ensures the separation of functions and transparent management.
4. We apply due diligence for integrity in our relationships with clients and other business partners.
5. We review any contracts to be signed, adding specific clauses for the ethical commitment and compliance of the parties.
6. We include a specific clause on ethical conduct and compliance by the parties in our General Terms and Conditions.
7. We have centralised the management of enquiries and claims received from stakeholders through the 'whistle-blowing' channel as well as through corporate support services.

Practical scenarios

Situation 8

A member of your family works in the purchasing area of a potential Redeia's client. Redeia appoints you to the team that is going to make the bid for a contract with this client. Your relative has mentioned that their daughter has applied for a scholarship funded by Redeia. You are not sure whether to intervene to encourage the award of the scholarship to benefit Redeia in the process of awarding the contract.

You must not offer money or any other kind of unjustified incentive to our clients' employees to encourage a business deal or become involved in a conflict of interest in your business relationships with clients.

Situation 9

A company department is planning to carry out a project with the participation of several business partners. There are very strict deadlines to get the financing for the project, so you have been asked, as the project manager, to speed the process up as much as you can. The potential business partners are well-known in the sector, so you decide not to carry out the due diligence for integrity that the company has established.

You must apply due diligence for integrity before entering into contracts with clients and other business partners. These procedures help you obtain information about the integrity of third parties and prevent possible reputational risks when there are indications of breaches of the rules with regard to the prevention of corruption and fraud by the entities examined.

4.6 Managing conflicts of interest

What we mean

By "**conflicts of interest**," we mean any real or apparent situation in which a person who forms part of Redeia may have a personal interest in a situation where professional judgment must be applied. In this sense:

- When a person must take a professional decision and this process takes place under the influence of an underlying personal interest, the risk of a conflict of interest is present.
- On the other hand, a conflict of interest may be apparent when a situation arises that inspires no real conflict in the person, although the circumstances surrounding the situation may raise doubts about such a conflict.

What is our commitment?

The social significance of the functions and responsibilities of Redeia may lead our stakeholders to be particularly sensitive to conflicts of interest that may arise in the organization and how they are handled.

Redeia is committed to identifying and handling any potential conflict of interest in an exemplary manner, providing its employees with the tools they need to handle them satisfactorily, and upholding the organization's reputation.

To detect and prevent potential conflicts of interest and handle them correctly, the company has a procedure for identifying, managing, and resolving these conflicts. Redeia has a Consultative Body, which includes the Ethics Manager, who is responsible for preparing and applying this procedure correctly and who acts independently to ensure that they perform their duties effectively and without being subject to improper influences.

How we should act

1. Use the 'whistle-blowing' and compliance Channel to report any potential conflicts of interest that you may be involved in or aware of so that they can be assessed and the necessary measures taken.
2. Act professionally, with loyalty towards Redeia and its stakeholders, and with autonomy with regard to personal or third-party interests.
3. Provide the Ethics Manager, the Compliance Department or Redeia's Consultative Body with information about the potential conflicts of interest.
4. Refrain from intervening in any decisions affected by a potential conflict of interest until it has been managed.
5. Act toward third parties (public officials, public authorities, clients, suppliers, and others) in accordance with the principle of not altering the impartiality and objectivity of those who are taking part.
6. Avoid taking advantage of any business opportunity for personal gain or for a third party through your professional activities for Redeia.
7. Do not perform works or provide services on behalf of companies in the sectors where Redeia operates or whose activities are potentially in competition with the company.

What prevention and detection mechanisms do we have?

1. We have a procedure for actions to prevent, identify, manage, and resolve conflicts of interest.
2. We have a Body responsible for managing and resolving conflicts of interest.
3. We have a 'whistle-blowing' and compliance Channel for reporting any potential conflicts of interest.
4. We apply due diligence for integrity to select suitable third parties.
5. Employees who are particularly exposed (members of the administrative bodies and board of directors) will sign a declaration to confirm the absence of conflicts of interest.
6. Exclusivity pacts are included in employment contracts.

Practical scenario

Situation 10

You are asked to perform work that seems interesting and for which you will be paid a reasonable sum. The work will be with a Redeia's competitor and will also entail a workload that may negatively affect your effectiveness when performing your functions and responsibilities.

You must not perform work for or provide services for companies whose activities may be in competition with Redeia. The company respects that its employees may participate in other business activities, but these must not have a negative effect on their effectiveness in their work or alter their impartiality and objectivity in the course of their professional activities.

If in doubt, remember that you can contact the Ethics Manager through the 'whistle-blowing' and compliance Channel.

4.7 Protection of information

What we mean

"**Confidential information**" is information that, if unauthorised disclosed, lost, or destroyed, could have a negative impact on the company, its employees, or its stakeholders, affecting the company's objectives and activities and potentially resulting in financial loss, reputational damage, or legal action.

By "**privileged information**,"¹⁴ we mean specific data that has not been made public, which refers, directly or indirectly, to any Redeia's company or to one or more affected stocks,¹⁵ and which, if made public, could have a notable effect on the price of these stocks.

What is our commitment?

Redeia is committed to the secure and responsible management of the information that it has access to, ensuring that confidential and privileged information is protected and used appropriately to preserve the interests of the company and its stakeholders. It also retains personal data, to which it has legitimate access in accordance with the requirements demanded under privacy laws and the commitments it has voluntarily accepted.

How we should act

1. Use the information in accordance with the level of risk that unauthorized access, disclosure, destruction, or alteration would cause, applying the classification established by Redeia.
2. Adopt the measures set up to protect any confidential information that you have access to.
3. Respect the security measures for keeping, filing, accessing, copying, and distributing the confidential information and personal private data.
4. Refrain from using any confidential or privileged information that you can access to obtain benefits for yourself or third parties.
5. Sign confidentiality agreements for the projects that require the use of sensitive information.
6. Do not spread or transmit confidential information without explicit permission from its owner, unless required to do so under a legal, administrative, or judicial imperative.
7. Protect confidential information if it must be transmitted, in accordance with the security measures established by the company.
8. Refrain from handling, hiding, or using confidential information about the stakeholders inappropriately.

What prevention and detection mechanisms do we have?

1. We have a procedure for the secure handling of information that includes criteria for its classification as well as suitable management and monitoring.
2. We have a Data Protection Compliance System that responds to the requirements of the European Data Protection Regulations and the Organic Law on the Protection of Personal Data.
3. There is a Protocol for business conduct regarding the use of IT and communications systems.
4. We have Internal Regulations on Conduct in the Stock Market that establish, among other aspects, rules of conduct in relation to privileged information, which must be supervised by a specific Monitoring Body.
5. We have a Code of Conduct for System Operators that establishes, among other obligations, specific measures for the protection of confidential information, which are assessed by an independent organizational unit.
6. Confidentiality agreements are signed to manage and protect information belonging to Redeia's companies and third parties that require measures of protection.

¹⁴ The definition of "privileged information" is included in the internal regulations of the Stock Market.

¹⁵ Affected stocks would be any kind of stock or instrument quoted on an organized, official, or recognized marketplace.



Practical scenario

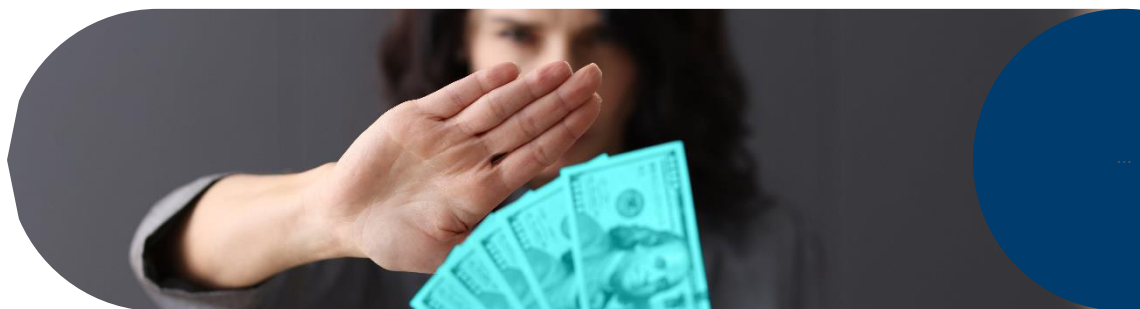
Situation 11

You have just successfully finished a project of great importance for Redeia and you are planning to post some photographs and information about the project on a professional social media platform without knowing how it is classified. The information will also include the names and contact details of the suppliers who worked on the project without obtaining their consent in advance.

You must not publish information if you are not sure how it is classified, because it may be confidential, or if you have not obtained the required consent for posting personal details. Protect confidential information in accordance with the security measures established by the company.



5 Management system for the prevention of corruption and fraud



5.1 Monitoring and supervision of corruption and fraud prevention

Monitoring and supervision are critical for evaluating the effectiveness of internal control systems by Redeia's companies' different supervisory and governance departments and organs.

The Board of Directors, as the ultimate body in charge of Redeia's risk management, has designated **the Criminal Compliance and Anti-Bribery Committee** to be the specific body in control of the Group's Criminal and Anti-Bribery Compliance System. Without prejudice to the above, the individual Criminal and Anti-bribery Compliance Systems of each Redeia's companies are subject to supervision by their respective governing bodies and have compliance managers who design, implement, monitor, and submit reports on these systems.

Redeia also has a System of Internal Control over Financial Reporting (ICFR), whose fundamental purpose is to improve the security of the processes for preparing the organization's economic and financial information, proactively adopting the best international practices in this area in order to ensure the strength and integrity of these procedures and to make sure that any possible risk of deliberate mistakes or fraud is fully covered.

The ICFR specifically includes information linked to Redeia's tax processes and the controls associated with this function. In accordance with good tax practices, Redeia avoids the use of opaque structures for tax purposes and collaborates in the detection of fraudulent tax practices that may be present in the markets in which they are present.

Redeia has mechanisms to prevent, supervise, and monitor corruption and fraud, which include internal measures and controls that are continuously monitored and supervised in order to

- ensure their efficiency and effectiveness,
- identify, prevent, and thwart possible corrupt and/or fraudulent practices,
- provide the market with full, reliable, and timely information.

Monitoring and supervision activities include the performance of independent (internal and external) audits, internal reviews, and other actions for assurance¹⁶ that are carried out to verify the efficiency and effectiveness of the company's mechanisms for preventing corruption and fraud. The employees of the company who are particularly exposed are subject to the annual signing of the declaration of compliance with Redeia's Compliance Policy.

5.2 Culture of anti-corruption and anti-fraud

Redeia, in accordance with its responsible business model that aims to ensure the creation of shared value with its stakeholders in the course of its activities, promotes the distribution and application of the standards of conduct described in this Guide. To this end, it will give access to this Guide to all employees through its internal and external corporate websites, so that they may know and understand it, as well as commit to respecting it in the performance of their professional duties and contributing changes they deem appropriate to improve it, through the established communication channels.

In Redeia, **awareness and continuous training** are key factors in the development of a culture of integrity within the organization. Every year, Redeia prepares a **plan to promote ethical culture and compliance** for the employees of the organization and its stakeholders, which includes actions that are adapted to the responsibilities, needs, and activities performed by the organization, as well as the cultural diversity of the countries where Redeia's companies are present.

¹⁶ The Framework for Professional Internal Audit Practice defines "assurance" as follows: "Assurance services include the objective assessment of the evidence to express opinions or conclusions about an entity, operation, function, process, system, or other matters."

5.3 Due diligence for the prevention of corruption and fraud

The principles included in Redeia's Compliance Policy entail setting up the due diligence necessary to perform the suitable selection and monitoring of ethical and compliance matters over third parties which the company is linked to. This means both suppliers and clients, but also business partners, administrators, and other third parties.

Redeia has a **due diligence system for integrity and human rights over third parties** whose objective is to prevent and detect those risks derived from the relationships that Redeia has with third parties, to reduce the risk that the company becomes involved with third parties which are linked to conduct contrary to its ethical values and especially with irregular conduct in questions of integrity. Redeia has created categories for third parties that it may become involved with, identifying levels of risk as low, medium, high, and very high. It has also established a series of due diligence that it must apply in response to the level of risk posed by the third party and the nature of the relationship that it wants to maintain, which include:

- **Simplified consultation or screening:** This is done using a platform with information about integrity risks for natural and legal persons that relies on public databases containing data on non-compliance, irregular conduct, or fines for questions relating to the integrity of the subjects in question.
- **Integrity questionnaire:** A questionnaire for the third party to fill out that examines details to learn more about the activity, precedents, internal control mechanisms, and actions taken in favour of integrity by the third party, among other aspects.
- **Due diligence for integrity:** Independent analysis carried out by the Compliance area of each of Redeia's companies or a third-party expert in the concept of integrity, based on multiple sources of information, with the aim of obtaining in-depth knowledge of the third party and its associated entities, its exposure to integrity risks and precedents in this matter, and the evaluation of the integrity compliance system and control framework used by the entity in question.

When significant issues are found in the due diligence, additional measures can be taken to confirm or remedy these issues. The unit in charge of third-party relationship must report the results of the due diligence to the supervisory body or area in charge of the transaction decision, including the compliance report with any cautionary measures or safeguards added in the event of significant findings.

5.4 'Whistle-blowing' and compliance channel

Redeia has a 'whistle-blowing' and compliance Channel available for the members of its organization and its stakeholders to use, in accordance with European Directive 2019/1937 (the Whistleblowing Guideline) on protecting persons who report infractions of EU law. The 'whistle-blowing' and compliance Channel can be used to:

- Raise a query about the interpretation of the ethics, principles, and guidelines of conduct in the Code of Ethics and Conduct and this Guide or make a suggestion for improvements.
- Report any violation of the Code of Ethics and Conduct, this Guide, the law, internal regulations, or the organization's commitments.
- Report any potential irregularity or non-compliance related to improper financial, accounting, or business practices.

Any employee of Redeia or its stakeholders can use the **'whistle-blowing' and compliance Channel**, the Ethics Manager, or the compliance supervisors of the subsidiaries to raise doubts or queries about the application and interpretation of this Guide. They can also be used to report possible breaches of the commitments and specified standards of conduct contained herein.

The 'whistle-blowing' and compliance Channel can be reached through the internal webs of Redeia's companies and the external webs of the different companies. Questions and messages/reports can also be sent by email or postal mail to the Ethics Manager at their business address:

Redeia

Paseo del Conde de los Gaitanes, 177
28109 Alcobendas (Madrid).

gestoretico@ree.es

Send us your enquiries

Send us a report

Redeia guarantees the confidentiality, anonymity, and immunity of the whistleblower who acts in good faith, as well as the people who help resolve the issue unless this information is justifiably required by an official or judicial authority.

In case of



check with



Your line manager



The compliance area



The Ethics Manager



6 Period of effectiveness



This Guide is effective as of January 31 of 2023 the date it was approved by the Board of Directors of Redeia's parent company. Its approval will entail the revoking of the previous Guide for preventing corruption. Zero Tolerance (2015 edition).

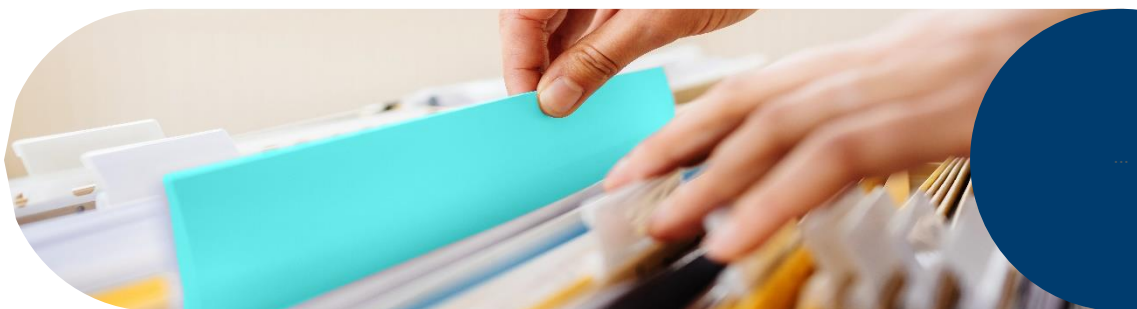
The Guide shall be reviewed regularly to ensure that its contents correspond to current legislation, and the best practices in preventing corruption and fraud, and continue to be suitable for Redeia's situation and its relationships with its environment and stakeholders.

The Guide may be modified with the explicit approval of the Board of Directors of Redeia's parent company.





7 Documentation related to the Redeia's integrity and compliance model





- Code of Ethics and Conduct.
- Supplier Code of Conduct.
- Compliance Policy
- Corporate compliance system.
- Criminal and anti-bribery compliance system.
- Criminal and anti-bribery compliance system manual.
- Guide for the integrity and human rights due diligence for third parties.
- Guide for the management of the 'whistle-blowing' and compliance channel.

