



Summary of corporate risk guidelines 2025

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NOTICE

This document is a translation of a duly approved Spanish-language document, and is provided for informational purposes only. In the event of any discrepancy between the text of this translation and the text of the original Spanish-language document that this translation is intended to reflect, the text of the original Spanish-language document shall prevail.



■ Credit Risk Guidelines and Limits

These Guidelines provide the framework for the monitoring and the management of credit risk from a global viewpoint covering the companies of the Group, credit risk being understood as all counterparty risks that, in the event of default by such counterparty, might cause certain companies of the Group to sustain an economic or financial loss.

The Guidelines focus on identified segments within the financial relationships of the Group's companies that create credit exposure and must be monitored.

Exposure to credit risk occurs in various ways, depending on the type of relationship with the counterparty, which takes the form of settlements, replacement costs and pending write-offs. In particular, the Guidelines establish the identification and segmentation into homogeneous groups of the principal types of relations that give rise to credit exposure within the Group, the implementation of mechanisms to identify common counterparties, the application of corporate guidelines for acceptance of counterparties, as well as the establishment of risk limits in the aggregate and by counterparty, in accordance with credit quality standards.

Additionally, the Guidelines on risks for each business and country establish specific credit risk limits and guidelines in line with the characteristics thereof.

■ Market Risk Guidelines and Limits

These Guidelines provide a global framework for the monitoring and management of market risk within the boundary the Group, market risk being understood as any potential loss of margin or value due to adverse changes in price-determining factors.

In particular, differentiated guidelines are set out for the management of the market risk associated with the various activities connected to the energy value chain:

- a. Energy management and sales activities associated with the core business for sale in the liberalised market (electricity production at the Company's own plants, including the supply of fuel and emission allowances, electricity and gas supply, forward, wholesale or retail sale of electricity and natural gas through the Company's own supply company, dedicated generation or cogeneration plants with or without a power purchase agreement and related hedging transactions).
- b. Regulated energy management or sale activities.
- c. "Discretionary trading" of electricity, natural gas, emission allowances and other fuel and associated products, with respect to which a global "stop-loss" limit is established at the Group level.

Additionally, the Guidelines for each business and country establish specific market risk limits and guidelines adjusted to the characteristics thereof and to the countries and territories in which the Group's companies are present.

■ Operational Risk in Market Transactions Guidelines and Limits

These Guidelines establish a global framework for the control and management of operational, regulatory and reputational risks that may arise in the day-to-day management of trading desks within the markets in which the companies of the Group operate.

They are based on the implementation of a sound internal control framework with the following key elements: (i) a strong risk culture; (ii) proper segregation of duties; (iii) formalisation of clear policies and processes; and (iv) secure and flexible reporting systems.

They also establish a number of specific guidelines, which will apply to the various activities performed by each of the affected trading desks.



■ Insurance Guidelines and Limits

These Guidelines provide the framework for the monitoring and management, through insurance, of the Company's global exposure to the impact of the operational risks associated with insurable internal or external events for all the activities and businesses managed by the Company and the other companies making up the Group.

In addition to the significant prevention and control efforts made by the different businesses of the Group's companies, these Guidelines aim to mitigate the global exposure of the Group's companies to the impact of operational risks through insurance, optimising the risk/return ratio, through:

- The identification and analysis of operational risks whose materialisation would lead to events that could jeopardise the Group's performance targets, and the assessment of such events.
- The choice of the appropriate treatment of such risks and events (elimination, mitigation, total or partial retention, transfer to the insurance market or to third parties) on the basis of profitability.

■ Investment Supervisory Guidelines and Risk Limits

These Guidelines provide a common framework for the analysis and monitoring of new investment or divestment projects of the businesses and corporate functions carried out by the companies making up the Group and of the risks associated therewith.

In particular, the Guidelines set general limits in terms of profitability and risk for each project, as well as the manner in which it fits into the overall Group-level strategy, the impact on results, and the years for recovery of the investment. Guidelines are also established aimed at minimising the risks associated with all investment projects, notably including, for example, measures that facilitate increased certainty regarding investment costs and revenues during the lifespan of the facilities.

■ Financing and Financial Risks Guidelines and Limits

These Guidelines establish the framework for the monitoring and management of financial risks within the boundary of the Group.

It provides that a Group-level strategy must be developed for the financing and management of financial risks that allows for the acquisition of the funds necessary to meet investment and operational needs under optimum cost and risk conditions:

- a. ensuring liquidity.
- b. Setting the appropriate levels of risk to be assumed in order to optimise the cost/risk ratio within established limits.
- c. transferring the level of risk associated with financial variables that the Company does not wish to assume to external entities specialising in the management of such risks.
- d. maintaining solvency indicators that enable the Group's companies to maintain their credit rating in accordance with pre-established objectives.
- e. complying with the requirements of local regulators and the tax provisions applicable in each country or territory.

The Guidelines set out the basic principles applicable to all activities related to financial risks, as well as specific limits for the control of certain identified financial risks, namely currency risk, interest rate risk, liquidity risk and solvency risk, among others.



In addition, it is established that the Finance and Treasury Division will be responsible for coordinating and controlling the financial operations of the companies of the Group.

■ Treasury Share Risk Guidelines and Limits

These Guidelines complement the principles and standards established in the Treasury Share Policy and further develop the framework for the control and management of risks associated with operations with treasury shares.

The Guidelines also set out a number of guidelines and limits to appropriately mitigate and limit treasury share risk.

■ Listed Companies Equity Interests Risk Guidelines and Limits

The Guidelines provide the framework for the monitoring and management of risks affecting the various holdings in listed companies in the form of shares and derivatives:

- a. in companies within the scope of consolidation (subsidiaries and affiliated companies),
- b. in financial investments (financial assets at fair value through profit or loss and available-for-sale financial assets).

The Guidelines also set out a number of guidelines and limits to appropriately mitigate and limit risk for these equity interests.

■ Purchasing Guidelines and Limits

These Guidelines complement the principles and standards established in the Purchasing Policy.

In addition, they further develop the overall framework for the monitoring and management of the risks deriving from the purchase of materials and equipment and from contracting for works and services within the framework of the Group, with special emphasis being laid on adherence to ethical commitments at the level of the Group and of the suppliers.

The Guidelines establish guidelines and limits regarding levels at which authority may be delegated and purchasing procedures within the Group's companies in accordance with the aforementioned principles.

Energy, fuel or raw material supply activities are excluded from the scope of these Guidelines and provided for in the Guidelines on risks of the corresponding businesses.

■ Digital Technology Risk Guidelines and Limits

These Guidelines complement the principles and standards established in the Digital Technology Policy.

They also further develop the framework for the control and management of information technology systems and related telecommunications, which constitute the digital technologies of the Group's companies, as well as the business and infrastructure applications required for the effective and efficient operation of business and support processes, set risk limits in order to align the impact of risks with the objectives set and to provide early warning signals, and establish basic guidelines for the design of appropriate controls in this area and the regular monitoring thereof, with a global viewpoint for the Group's companies.

They also contemplate the management of risks associated with the use, ownership, operation, participation, influence and adoption of specific digital technologies, or the processes for the management and control thereof, with a global viewpoint for the Group's companies.



The Guidelines are established on the basis of established good practices and approved standards in the international technology community, and particularly take as a reference the COBIT 2019 guide.

■ Cybersecurity Risk Guidelines and Limits

These Guidelines complement the cybersecurity principles and standards established in the Security Policy.

In addition, they further develop the framework for the monitoring and management of cybersecurity risks faced by the Group's companies, set a risk appetite and risk limits in order to align the impact of risks with the objectives set and to provide early warning signals, and establish basic guidelines for the design of appropriate controls in this area and the regular monitoring thereof, with a global viewpoint for the companies of the Group.

These Guidelines apply to the risks arising from threats and vulnerabilities concerning the control, information technology and communications systems of the Group's companies, as well as any other asset forming part of the Cyberinfrastructure (cyber assets) of the Group's companies. In particular, these Guidelines apply to the following areas:

- Management of the cyber assets of the Group's companies, carried out by the various technology, cybersecurity, business and corporate functions organisations in the various countries in which the Group's companies are present.
- Outsourced management, for which companies of the Group rely on third parties (contractors, suppliers, consultants, etc.) to carry out operations and provide services both internally and externally.

■ Reputational Risk Guidelines and Limits

These Guidelines complement the principles and standards established in the Corporate Reputation Policy and the Stakeholder Relations Policy.

In addition, they establish a benchmark framework for controlling risks with an associated reputational impact to be implemented by all of the divisions of the companies making up the Group.

The management of corporate reputation seeks two complementary objectives: to bring out opportunities that trigger favourable behaviour towards the Company and the other companies of the Group, and to minimise and mitigate the reputational risk in the activities they perform.

The Guidelines establish various recommendations, including crisis management, and lists indicators for monitoring, like RepTrak, as well as standards for measuring the reputation of the Company and its subsidiaries.

■ Occupational Safety, Health and Well-Being Risk Guidelines and Limits

These Guidelines complement the occupational safety, health and well-being principles and standards established in the Security Policy.

These Guidelines establish the overall framework for the control and management of risks associated with occupational safety, health and well-being, with a particular emphasis on accidents (both internally and at companies working under the supervision of the Group's companies), breach of occupational health and safety requirements, and the impacts arising from regulatory breaches (fines, claims, reputational harm, loss of certifications, etc).