

2023 | Sustainability
Report



redeia

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Our capital

INDUSTRIAL CAPITAL

52,813 km of line circuit in service
45,141 km in Spain
7,672 km in Latin America
6,357 substation bays in Spain
94,981 MVA of transformer capacity

53,215 km of fibre optic network
10 satellite in operation
2 electricity control centers
4 electricity control centers

TECHNOLOGICAL CAPITAL

8.59 M€ Investment in innovation
12 innovative technological solutions adopted

FINANCIAL CAPITAL

2,064.1 M€ revenue
996.2 M€ investment
59% ESG funding

HUMAN CAPITAL

2,477 employees
1,618 € in training per employee
37 hours of training per employee

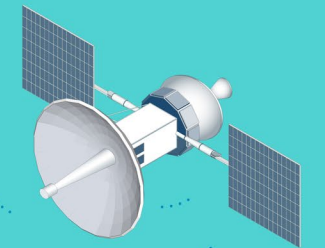
NATURAL CAPITAL

24.9 M€ expenditure on environmental protection and improvement
90% of Redeia's businesses ISO 14001 certified

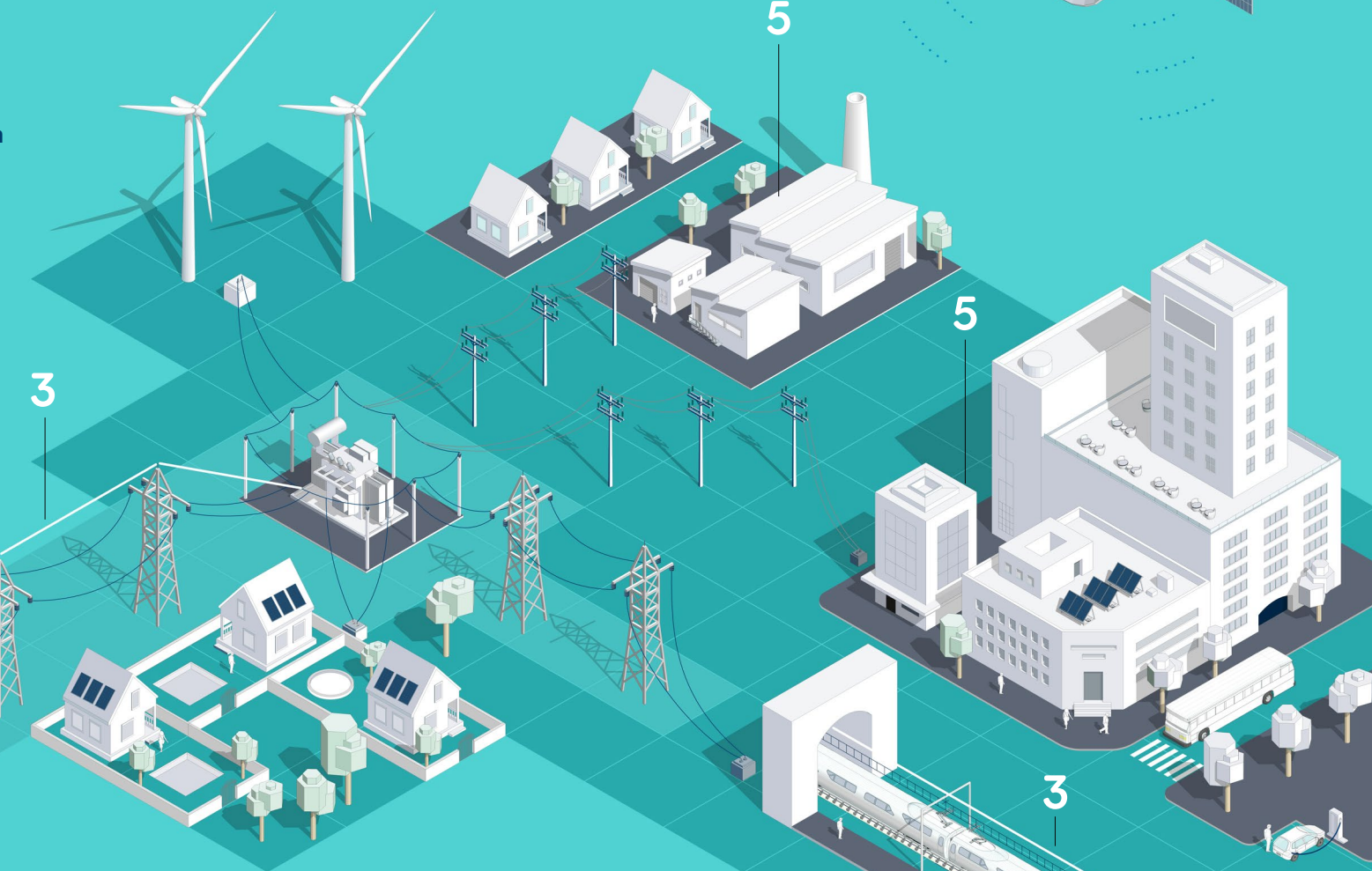
SOCIAL AND RELATIONAL CAPITAL

10.6 M€ of investment in the communities where the group is present
95 agreements with local administrations (Spain)
838 social initiatives
2,069 suppliers

4 Telecommunications business Hispasat (satellites)



1 Electricity business in Spain Red Eléctrica



2 Electricity business abroad Redinter (Peru, Chile and Brazil)



3 Telecommunications business Reintel (optical fibre)

5 Technology and innovation services Elewit

Value created

SHAREHOLDERS AND INVESTORS

593.3 M€ dividends distributed
8,067.5 M€ capitalisation

EMPLOYEES

214.5 M€ personnel costs
98.7% permanent contracts

36.2% women in the management team
45.5% women on the executive committee
1.14 Occupational Accident frequency rate

CUSTOMERS

97.61% of availability of the electricity grid in Spain (Peninsula)
99.95% availability rate of the transmission system managed in Peru (Redinter)
99.87% availability rate of the transmission system managed in Chile (Redinter)
100% Availability of the satellite fleet payload

SUPPLIERS

1,103 M€ certificates to suppliers
94.2% Purchases from suppliers within the European Union

ENVIRONMENT

39,073,106 t of CO₂ eq. avoided
50.3% renewables integration
1,041 ha recovered with the Redeia Forest

SOCIETY

608.1 M€ GDP contribution based on investments in Spain
USD 4.1 M, USD 1.2 M and USD 34.0 M GDP contribution based on investments made in Chile, Peru, and Brazil respectively
646 M€ Tax contribution

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Letter from the Chairwoman and from the CEO

2-22

Beatriz Corredor Sierra

Chairwoman of Redeia

Roberto García Merino

CEO of Redeia



Energy transition, connectivity, and people are emerging as essential pillars for the present and future, in a context that demands heightened awareness and action against the global social, environmental, ethical, and economic challenges facing our planet and society.

Redeia is actively addressing this reality with a high degree of commitment to innovation, sustainability and the creation of shared value, which is reflected in its 2021-2025 Strategic Plan and its Commitment to Sustainability 2030, which is deployed through the fourteen action lines of the **2023-2025 Sustainability Plan**, ensuring responsible

business management, responding to the expectations and demands of our stakeholders.

In this spirit, Redeia is now taking another step forward with its **Comprehensive Impact Strategy**, through which it will implement all its social and environmental initiatives. This strategy seeks a global scope that extends across all regions, involving all business sectors and positioning the company as a crucial and valuable partner in society to advance sustainable development. It aims to address their current and future needs, sensitivities, lifestyles, and aspirations. In line with this, the company is proud

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to announce that in 2023 it published its first Impact Measurement and Management Report, which reveals that for every euro of net profit we earn, we contribute 14.5 euros to society.

2023 was a year of significant achievements that we would also like to highlight:

- A strong increase in Red Eléctrica's investments to 825 million euros, 55% more than in 2022, to facilitate the energy transition. This investment has enabled significant progress in developing the national transmission grid.
- The commissioning of 157 km of new circuit lines and 143 new substation positions, along with an increase in transformation capacity by 760 MVA. Highlights include the completion of the new Ibiza-Formentera link, progress on the Tenerife-La Gomera connection, and the commissioning of the Cerdá substation for the electrification of the Port of Barcelona.
- We would also like to highlight the advancement of the Salto de Chira Pumping Station in Gran Canaria, a key element for the integration of renewable energy and energy storage, contributing to the decarbonisation of the Canary Islands' energy model.
- The Renewable Energy Control Centre and the flexibility measures implemented by the system operator have enabled renewable energy's contribution to electricity generation to exceed 50% for the first time, an increase of eight percentage points over 2022.



Redeia's Comprehensive Impact Strategy enhances the Company's positive impact on society, bringing us closer to local communities.



- Significant developments in enhancing connectivity include Reintel's agreements with local and regional operators for the deployment of a national network, the commencement of commercial operations of the Amazonas Nexus satellite, and the integration of Hispasat into the European Consortium for the bidding of the future IRIS² satellite constellation. Additionally, Hispasat launched Conéctate 35 in 2023, a pioneering program in Europe, offering high-speed (100 Mbps) satellite connectivity to all citizens in rural areas, aimed at reducing the digital divide.



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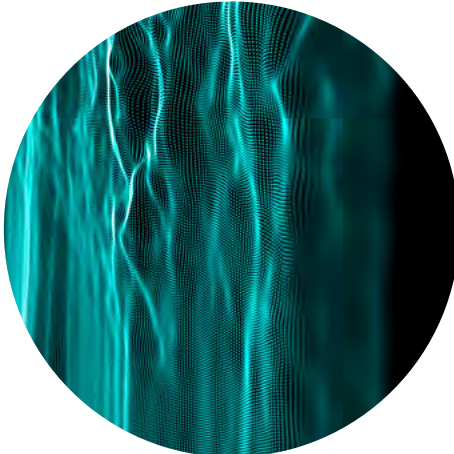
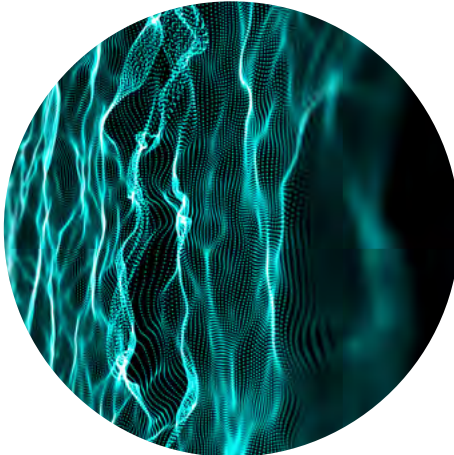
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- Consolidation of the international electricity business with the expansion of the Centinela substation in Redenor 2 and the establishment of a control centre in Chile to provide operational services to the assets of Redinter and Engie Chile.
- In the area of innovation and technology, Elewit has adopted innovative technological solutions that address the new challenges in the electricity and telecommunications sectors. Additionally, it has extended innovation tools to Latin America and reinforced its commitment to open innovation as a source for generating startups, business models, and as a lever for cultural transformation.
- Issuance of the first green hybrid bond valued at 500 million euros.
- In its commitment to people, notable achievements include the signing of Red Eléctrica's twelfth Collective Bargaining Agreement and Redeia Corporación S.A.'s Collective Bargaining Agreement, along with the development of the Comprehensive Diversity Plan 2023-2025, the Labour Safety and Wellbeing Plan 2024-2025, and the Disability Plan 2024-2030.
- Redeia's consolidation as a company as a leader in gender equality, maintaining parity on the Board of Directors, continuing to increase the percentage of women in the management team and being one of only five IBEX 35 companies led by a woman.
- In environmental matters, the 'Marine Forest' project received the '10th Anniversary All-Star Awards' and was a finalist in the 'Good Practice of the Year' for the ECOConcrete initiative, which enhances the regeneration of marine life, organized by the Renewables Grid Initiative (RGI).
- The *#ContraLaDesigualdad. Tejer redes de vida* program has been recognized as the best practice in social action by the Adecco Foundation at the 6th Diversity, Equity, and Inclusion Awards.
- The fourth edition of the Sustainability Conference Sessions was held under the theme "The sustainable future begins today". These sessions provided a platform for debate and collective reflection on how to drive action from a unified, shared, and collaborative perspective to help forge a sustainable future.
- The Company has maintained its position on global sustainability indices as one of the world's most sustainable companies, including the Dow Jones Sustainability Index World by S&P, Euronext (Euro 120, World 120, and Europe 120) by Moody's, FTSE4Good, ISS ESG, and MSCI, among others.

All these achievements are only possible thanks to the talent and human quality of individuals across the Group and through cooperation and partnerships with our stakeholders. Together, we will continue to advance our core attributes—electricity, telecommunications, and talent—guided by our values of respect, integrity, and sustainability.

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About this report

Redeia's Sustainability Report offers transparent, reliable and balanced information on the Company's management and performance during 2023, focusing on those aspects identified as material issues / 2-3. The Sustainability Report also includes

information on the Group's supply chain and customers, as described in the following chapters on Industrial Capital: Electricity, Industrial Capital: Connectivity and Social and Relational Capital: Supply Chain.
**/ ESRs 2 BP-1
p. 5 (c)**

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This focus on quality, rigour and transparency in the annual communication with stakeholders on the progress made in the application of the 10 Principles of the United Nations Global Compact in the areas of human rights, labour standards, environment and the fight against corruption and with respect to the contribution to the Sustainable Development Goals (SDGs) has led the company to rank fourth in the Reporta 2023 Report. Redeia is the only company in its sector that has managed to remain in the top five positions of this ranking for the last five years.

Reporting frameworks ESRS 2 BP-2 p. 15

Redeia publishes the twentieth annual edition of this report, which since 2003 has been prepared in accordance with the Global Reporting Initiative (GRI) Guidelines (within its comprehensive option) and includes the additional information applicable and required in the Electric Utilities sector supplement.

Since 2019, Redeia has incorporated the information in accordance with the SASB (Sustainability Accounting Standards Board) and from 2020, the report integrates the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and the requirements of the Climate Disclosure Standards Board (CDSB) framework on environmental and climate change reporting.

In addition, throughout the report and in anticipation of the new European Sustainability Reporting Standards (ESRS) published by EFRAG in 2023 in development of the new European Directive on corporate sustainability reporting.

The **Annexes**  section of this Report includes a table of contents concerning GRI, SASB, TCFD and NEIS reporting standards.



Redeia's Sustainability Report is recognised by stakeholders for its quality, rigour and transparency, and is considered a benchmark report in Spain.



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The 2023 Sustainability Report proactively addresses specific requirements of the European Sustainability Reporting Standards (ESRS), developed by the European Financial Reporting Advisory Group (EFRAG) and published by the European Commission in July 2023, set to become mandatory in the 2024 reporting cycle.



This report responds to Recommendation 55 of the Code of Good Governance of Listed Companies of the Spanish National Securities Market Commission (CNMV) and includes aspects defined by the International Integrated Reporting Council (IIRC) for the preparation of integrated reports.

Scope, content and assurance ESRS 2 BP-1 p. 5 (a)

Redeia's Sustainability Report contains relevant information on the management approach, actions, and results of the Group's activities. That is, the scope of consolidation is the same as that of the financial statements. / **ESRS 2 BP-1 p. 5 (b) i.** In the Consolidated Financial Statements Report and in the chapter entitled **Redeia** ↪ of this report, details of the structure of the Group's

companies are provided. / **2-1.** When the information reported does not cover the full scope desired, the corresponding chapter of this report can provide more in-depth data. / **2-2.** In those cases where any of the entities in which Redeia has an interest are taken into account, this will be specified where appropriate. Throughout the report, references are included to investments to which the equity method is applied in ARGO and TEN.

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In order to assess the evolution of the performance of the group over time, the report provides data from previous years. Regarding previous reports, no relevant information has been reformulated, although it is possible that data has been updated, or that calculation formula for a specific indicator has changed, in which case, the changes are indicated in the corresponding section. / **2-4 / ESRS 2 BP-2 p. 13 (c)**

To verify and guarantee the reliability of information to be presented to the various stakeholders, Redeia has submitted this report to external assurance by Ernst & Young, who conducted a limited assurance review. Said independent review report is included in the **Annexes**  section of this document. / **2-5**

To our readers

Redeia invites the readers of this report to explore in greater detail the information and performance

via the data published on its corporate website or through Redeia's Annual Corporate Governance Report and the Consolidated Annual Accounts, which include the Management Report regarding the group's businesses and its Non-Financial Information Statement, which responds to the requirements of Law 11/2018, of 28 December, on disclosure of non-financial and diversity information. Likewise, Redeia welcomes opinions on this report. Please feel free to share your comments and suggestions with us through the available channels. / **2-3**



In 2019, Redeia became the first company in the IBEX 35 to incorporate the Sustainability Accounting Standards Board (SASB) reporting standard in its annual sustainability report.



Corporate websites

www.redeia.com
www.ree.es
www.redinter.company
www.reintel.es
www.hispasat.com
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Shareholder channel

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Ethics and compliance channel

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3-1 / 3-2 / 3-3 / ESRS 2 IRO-1 p. 53 (a)

In 2022, to move forward with the 2030 Sustainability Commitment and define its 2023-2025 Sustainability Plan, Redeia carried out an update of its **Materiality study** with the aim of identifying the relevant materiality aspects and incorporating the new double-materiality approach.

The methodological focus applied in the 2022 Materiality Study revolves around the **double-materiality** approach in order to identify the sustainability issues relevant to Redeia, which affect its value proposition, results, situation and evolution (outside-in perspective) and which have an impact on people, society and the environment (inside-out perspective).

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The materiality study stems from an analysis of the Group's sustainability context that enables the Company to have a global vision of the environment in which the organisation operates, with a view to reviewing the sustainability planning for the 2023-2025 period. The context is prepared taking into account all the business activities and geographical areas in which Redeia operates.

The sustainability context includes an analysis of trends, which define and/or will define the global, sectoral and geographical sustainability framework in which the Group operates; the identification of good practices to ascertain the degree of maturity of the Group's sustainability performance with regard to other comparable benchmark companies; and the analysis of internal information, the aim of which is to identify stakeholder requirements, expectations, and relevant aspects

for their integration into corporate commitments and planning.

It should also be noted that the development of this study involved the active **participation of the Group's stakeholders** to determine their requirements and expectations. / **ESRS 2 SBM-2 p. 45 (b) / ESRS 2 IRO-1 p. 53 (b) iii.** In this regard, strategic interviews were conducted with members of the Group's management and technical staff from key areas, as well as with representative of external stakeholders, to understand the internal and external perspectives in relation to the sustainability challenges, risks and opportunities facing Redeia. Specifically, the 2022 sustainability context involved representatives of other comparable benchmark companies participated in the 2022 sustainability report; and the analysis of internal information, the aim of which is to identify stakeholder requirements and expectations



and matters of relevance integration into corporate commitments and planning. Specifically, the 2022 sustainability context, involved representatives of the following stakeholder groups: business partners, suppliers, research and technological development centres, social agents and associations, environmental groups, consumer and end-consumer associations, rating agencies, the media, industry associations, professional and business associations, sector companies and competitors.



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The solution provided in this analysis has been designed taking into account the recommendations of the leading international sustainability opinion generators, including IQNet SR10 on Responsibility Management Systems, Social Responsibility Guide Social ISO 26000, Global Reporting Initiative (GRI), SASB (sector materiality map) and AA1000AS Assurance Standard (principle of materiality). / **ESRS 2 BP-2 AR 2**

This analysis led to the identification of a total of 13 relevant issues, which determine the content of Redeia's sustainability report.



Drafting process of the Materiality Study

ESRS 2 IRO-1 p. 53 (b) ii. / ESRS 2 IRO-1 p. 53 (g)

Context from an organisational standpoint

To identify challenges regarding economic, environmental, human rights and other sustainability issues, the Company conducts the following analyses:

- Trend analysis.
- Sectoral benchmarking.
- Analysis of stakeholder needs and expectations through strategic interviews with the management team and technicians from key areas and interviews with representatives of external stakeholders.
- Analysis of internal information.

Identification of real and potential impacts

- Identification and assessment of real and potential negative impacts caused or contributed to by Redeia as a result of its activities, as well as those directly linked to its operations, and of real and potential positive impacts, with which the organisation contributes or could contribute to sustainable development through its business activities.

Prioritisation of impacts

- The importance of a potential negative impact is determined by its severity and likelihood of occurrence. The importance of a potential positive impact is determined by its scale, scope, and possibility of it happening.
- The prioritisation matrix provides a two-fold analysis of the issues: the impact on the group, according to how they affect Redeia's value proposition, results, situation and evolution (outside-in perspective) and the impact on people, society and the environment (inside-out perspective).

Evaluation and validation of materiality issues

- The validation phase involved the participation of key areas of Redeia. The results of the previous phases were evaluated with each of the areas and the opportunities associated with each of the material issues were identified, as well as their impact on the 2021-2025 Strategic Plan and their link to the Sustainable Development Goals.
- The 2022 Materiality Study has been supervised and validated by Redeia's Executive Committee and Board of Directors.



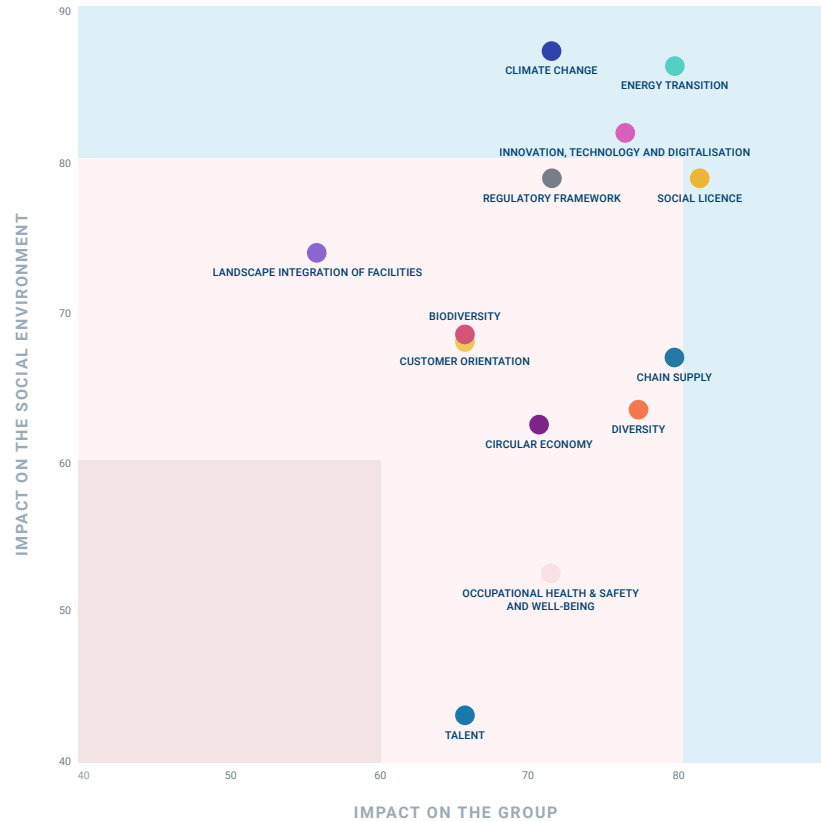
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Prioritisation matrix of relevant issues

It is worth noting that, compared to the previous Materiality Study conducted in 2019, there are fewer relevant issues (16 issues in 2019). This shows that the Group has evolved to a higher level of maturity in its sustainability management, which allows it to sift through and focus on those issues that are truly relevant to the achievement of its strategic goals.

As there have been no significant changes in trends, business model, etc., that could have an effect on the identified material issues, it has not been necessary to conduct a materiality review in 2023.

Prioritisation matrix of relevant issues / 3-2



- Average/Medium priority
- High priority
- Critical priority

Prioritisation of issues

CRITICAL

- 1 Energy transition
- 2 Innovation, technology and digitalisation
- 3 Social Licence (•)
- 4 Climate change

HIGH

- 5 Regulatory framework (•)
- 6 Supply chain
- 7 Diversity
- 8 Biodiversity
- 9 Customer orientation
- 10 Circular economy
- 11 Landscape integration of facilities (•)
- 12 Occupational health Safety & well-being
- 13 Talent

(•) New materiality issue with respect to the matrix of 2019.

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Materiality issues: Description and impact

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Issues	Materiality Consideration	Section in this Report	Priority GRI Indicators	Sustainable Development Goal	Impact (+) (-)
Energy transition	<p>Redeia is a key player in a green transition that is fair through the integration of renewable energy into the electricity system, developing the necessary infrastructure for electricity transmission, interconnection and energy storage. It also participates in the development of new innovative technologies to increase the capacity and security of the operation of the new energy model, which is much more dynamic and with new challenges: greater volatility of renewable generation compared to the traditional generation, increasingly open participation with the emergence of new agents and a strong increase in the electrification of the economy and, therefore, demand.</p>	<p>Climate Change ↻</p> <p>Sustainable Grid Development ↻</p> <p>Integration of Renewable Energy ↻</p> <p>Flexibility of the Electricity System ↻</p>	<p>3-3 / 201-2 / EU4 / EU10 / EU12</p>	   	<p>• •</p>
Innovation, technology and digitalisation	<p>The evolution of Redeia's business activities requires innovation processes and the development and application of technologies to obtain efficiencies and improvements in business operations in order to guarantee the services it offers. The company's innovation model must respond to these needs, including not only the development of new solutions, but also the monitoring and adaptation of appropriate innovations and technologies.</p>	<p>Innovation and Technology ↻</p> <p>Digital Transformation ↻</p> <p>Comprehensive Corporate Security ↻</p>	<p>GRI Standards do not include the indicators linked to this issue.</p>	  	<p>• •</p>
Social licence	<p>In order to achieve the group's objectives, it is essential to obtain a social licence to operate through a value-creation narrative that publicises the commitments and benefits that the company generates for society (positive footprint), with a special focus on the communities and territories in which the group operates. To this end, it is necessary to listen to the needs and characteristics of the territories, facilitating participation mechanisms, responding with transparency to the information requested and supporting social and environmental protection projects with social innovation.</p>	<p>Social Development within the Territory ↻</p> <p>Relationship with the Environment ↻</p>	<p>102-12 / 102-13 / 201-1 / 204-1 / 401-1 / 102-21 / 102-43 / 413-1 / 413-2</p>	    	<p>• •</p>

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Materiality issues: Description and impact / continued

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Issues	Materiality Consideration	Section in this Report	Priority GRI Indicators	Sustainable Development Goal	Impact (+) (-)
Climate change	<p>Meeting the goal of limiting the temperature increase to 1.5 °C is only possible through the development of ambitious climate change strategies that foster a commitment to carbon neutrality. To this end, it is essential to adopt a proactive stance in mitigating the problem, integrating the development of major projects for the reduction and offsetting of emissions in scopes 1, 2 and 3, as well as the achievement of the reduction targets established, and adaptation to the adverse effects of climate change, through the assessment of the existing risks that may have an impact on the facilities in order to anticipate and establish preventive measures.</p>	<p>Risk Management ↗</p> <p>Climate Change ↗</p>	<p>2-28 / 3-1 / 3-3 / 201-2 / 302 / 305 / EU12</p>	  	<p>• •</p>
Regulatory Framework	<p>Redeia carries out its business activities in sectors and environments that are subject to regulation. Currently, there is a strong regulatory drive that affects not only the group's operations but also its strategic decisions. It is essential to identify and swiftly apply changes, as well as to participate in regulatory development, contributing to the group's knowledge and experience to ensure that the changes are appropriate to current requirements and favourable to the sustainability of the business. In line with this, it is essential that the remuneration of the energy transmission activity incorporates the ESG requirements demanded by society.</p>	<p>The cross-cutting nature of this issue means that it is referred to throughout the various chapters of this Report.</p>	<p>GRI Standards do not include the indicators linked to this issue.</p>	    	<p>• •</p>
Supply chain	<p>The globalisation of procurement processes has been strongly affected in recent years by various events that have highlighted the vulnerability of supply chains and the importance of supply chain risk management. In this context, it is key for Redeia to prioritise the integration of ESG criteria in procurement management and decision-making, as well as the extension of commitments based on such criteria to all links of the supply chain through the creation of alliances and the consolidation of a responsible procurement management model.</p>	<p>Supply Chain ↗</p>	<p>2-6 / 2-8 / 3-1 / 3-3 / 204-1 / 205-2 / 205-3 / 302-2 / 306-1 / 306-2 / 308 / 403 / 407-1 / 408 / 409 / 414 / EU17 / EU18</p>	  	<p>• •</p>

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Materiality issues: Description and impact / continued

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Issues	Materiality Consideration	Section in this Report	Priority GRI Indicators	Sustainable Development Goal	Impact (+) (-)
Diversity	Diversity has been consolidated in Redeia as a clear source of wealth. The group has a strong commitment to equal opportunities, respect for differences and non-discrimination, working both on gender equality and on every element of diversity. In this regard, the company must continue to set increasingly ambitious objectives considering all the diversity vectors: gender, age, vulnerable groups, culture, etc., and adding new challenges arising as a result of its international expansion process to those already existing.	Diversity	2-7 / 2-9 / 2-10 / 2-19 / 202-2 / 401-1 / 405 / 406-1 / EU15		•
Biodiversity	In recent years, the interdependence between climate change and biodiversity loss has been consolidated, recognising the crucial role of nature-based solutions in addressing the global climate crisis, increasing the resilience of ecosystems and reducing associated risks, while contributing to mitigation by strengthening ecosystem services. Key in this regard is the definition of goals for the protection of all aspects of nature (biodiversity, land, ocean, water and climate) and the development and implementation of actions to protect and conserve relevant habitats and species and to extend the application of the mitigation and conservation hierarchy to all activities of the group.	Biodiversity	304 / EU4 / EU13		• •
Customer orientation	Redeia stands out for its vocation to serve the interests of the various stakeholders it interacts with. Thus, it has a mature relationship model, which is periodically reviewed to ensure that it identifies all stakeholder groups, establishes the most appropriate frameworks in each case and is capable of detecting needs and expectations. With regard to the services associated with the Group's various business activities, it works to guarantee the quality of service, making ever greater efforts regarding the Company's customer communication channels and platforms.	Sercliente Customer Orientation Connecting What Matters	2-1 / 2-6 / 418 / EU10		• •

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Issues	Materiality Consideration	Section in this Report	Priority GRI Indicators	Sustainable Development Goal	Impact (+) (-)
Circular economy	<p>The need to make more efficient use of natural resources has precipitated a change in production and consumption patterns, driving reutilisation and making savings in the consumption of materials. At the same time, increasing restrictions on access to some of these resources has led to greater price volatility, which generates significant uncertainty in the business world. In this context, it is crucial to incorporate criteria based on the concept of circularity in the activity, which optimises the consumption of resources, minimises the environmental footprint of the facilities and focuses on waste reduction.</p>	Circular Economy ↗	3-1 / 3-3 / 301 / 306 / EU12	 	• •
Integration of facilities within the environment	<p>The environmental impact of Redeia's infrastructure is a critical issue for stakeholders, which strengthens their opposition to such facilities, and for the Public Administrations, which focus on regulating this aspect and elevating the level of environmental requirements. In this regard, it is essential to assume commitments to care for and protect the environment, and throughout the entire life cycle of the facilities, incorporating environmental criteria in the projects, from the design stage to the dismantling of the infrastructure, in order to avoid and minimise the environmental impact (with a strong focus on the landscape) of the infrastructure.</p>	Integration of Facilities within the Environment ↗	3-1 / 3-3 / 301 / 304 / 305 / 306 and EU4	   	• •

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Issues	Materiality Consideration	Section in this Report	Priority GRI Indicators	Sustainable Development Goal	Impact (+) (-)
Health, Safety and Wellbeing	<p>Redeia carries out work that entails high health and safety risks. In this regard, the objective of zero accidents is strategic, as well as improving the health, safety and wellbeing of employees, maintaining high safety standards in the workplace. Similarly, the prevention of psychosocial risks is consolidated, protecting the mental health of the workforce and promoting the integration of measures that favour the work-life balance of employees. Lastly, technology must be integrated into the processes to minimise existing risks, and the supply chain must adopt the Company's commitments in this field.</p>	<p>Healthy Organisation ↻</p>	<p>401-2 / 403 / EU18 / EU25</p>		<p>• •</p>
Talent	<p>The evolution of the working environment and new technologies are constantly generating the need for new talent that is not always available in the labour market. Hence, it is vital for the group to swiftly identify in advance the required profiles and new skills. To this end, the Company needs to have adequate professional development plans, flexibility measures, new ways of working and a corporate culture that provides access to the necessary talent, enabling the Company to focus on talent attraction and retention.</p>	<p>Talent Development ↻</p>	<p>401-1 / 404 and 412-2</p>	  	<p>• •</p>

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In 2023, Redeia published its first consolidated impact study (Annual Impact Measurement and Management Report 2022) → which analyses and monetises the estimated impacts

caused by the company's activity on its stakeholders during the 2022 financial year. This represents the first step on a path towards long-term impact measurement.

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Redeia's impact measurement methodology

In its annual impact measurement process, Redeia has followed the phases set by international reference institutions, such as the World Business Council for Sustainable Development (WBCSD) and the Capitals Coalition, and at a national level, the Social Impact Chair of the Comillas Pontifical University,

The phases followed were:

- **Definition of the analysis.** Redeia has taken into account the main developments in the field of impact, international best practice and methodological alternatives to carry out the measurement. Following the analysis, the first impact measurement exercise was aimed at having a robust measurement methodology specific to Redeia, from a holistic approach, considering Redeia's most relevant business activities and their positive and negative impacts at international level. In terms of time, the impacts of 2022 have been monetised, annualising the value of externalities over a longer period.



Redeia published its first annual Impact Measurement and Management Report 2022 to provide a clear view of the estimated annual social and environmental shared value generated by the company in the environment in which it operates and how it manages its impacts.



- **Identification of impacts.**

An in-depth characterisation of Redeia's business model was carried out, taking into account all stages of the value chain, the stakeholders impacted and a perspective based on the six capitals of the International Integrated Reporting Council (IIRC), using relevant tools such

as the company's dual materiality analysis.

The result has been the identification of a catalogue of more than **21 impacts**, both positive and negative, related to the Group's activity.

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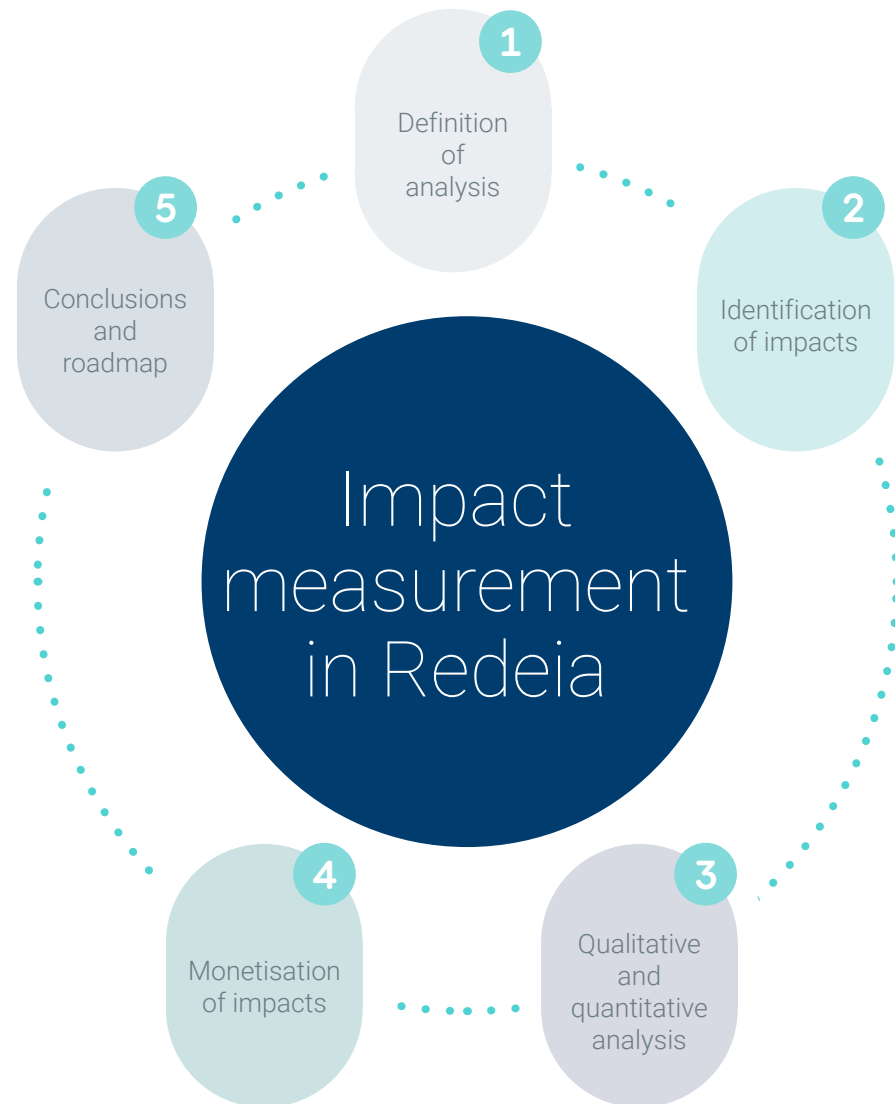
- **Qualitative and quantitative analysis.** Redeia has identified the effects produced by the company on the natural environment, its stakeholders and the economy. In addition, impact indicators have been used to evaluate Redeia's management approach and to help dimension of the effects produced.
- **Monetisation of impacts.** Based on Redeia's impact indicators and proxies or academic multipliers from institutions of international relevance, the social value of Redeia's externalities has been quantified. The company has considered the guidelines of entities such as the la Value Balancing Alliance (VBA), Harvard Business School through its Impact-Weighted Accounts, the World Business Council for Sustainable Development (WBCSD) and the Capitals Coalition, among others.

- **Conclusions and roadmap.** The last phase of the analysis consisted of interpreting the results and drawing up a roadmap for progress in measuring impact. With regard to the results obtained, it is worth highlighting their strong relationship with the Company's core business, highlighting those impacts related to access to electricity and the enabling effect on the economic system and the energy transition.

Impact management at Redeia

Redeia has an impact management framework that is articulated through different commitments, plans and strategies that will continue to be developed and will use the impact measurement information from the Company's impact, with the aim of mitigating negative impacts and enhancing positive impacts.

The organisation's main commitments and strategies related to impact measurement, which are available throughout



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REDEIA CONTRIBUTES 14.5 Euro TO SOCIETY

for every euro of net profit



this Sustainability Report, are the 2021-2025 Strategic Plan, the 2030 Commitment to Sustainability, the dual materiality study, the 2023-2025 Sustainability Plan, the 2030 commitment to a positive net impact on natural capital, and

the Climate Change Action Plan, the Circular Economy Roadmap 2030, the Comprehensive Diversity Plan 2023-2025 and the Social Innovation Action Plan.

Impact income statement

The estimated annual impact scoreboard concentrates all identified impacts and all identified and analysed impacts. They are categorised according to the four priorities of the 2030 Sustainability Commitment (anticipation and action for change, responsible value chain, contribution to the development of the environment and decarbonisation of the economy). Positive and negative effects are attributed to each impact, and the aggregation of these effects reports total and group results. In this study, an impact index based on net benefit has been used. For its calculation, the values of the calculated externalities have been relativised on the basis of an index that considers the net benefit to be equal to 100.

The results are expressed in an impact index that values the social and environmental



economic externalities of Redeia with respect to its net benefit. Thus, with a **total impact index of +1,452**, it can be interpreted that the value of the Company's externalities exceeds its net profit by 14.5 times in 2022.



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Redeia's impact on the environmental development is equivalent to 11.6 times the Company's net profit.



Main impacts by sustainability priority

Decarbonisation of the economy

Emissions avoided generate a significant positive impact, corresponding to 0.5 times Redeia's net profit, partially offsetting the negative effects of the total emissions emitted. The total net impact of this priority is negative, with an estimated impact index of -34.5 (0.35 times net profit).

Responsible value chain

Most of the quantified positive effects come from the direct impact and tractor effect, while the use and supply of raw materials concentrates the negative impact. The net impact of this pillar is positive, equivalent to 2 times Redeia's net profit.

Contribution to environmental development:

All the impacts calculated in this priority are positive, with the capacity to provide access/supply electricity and digital inclusion through connectivity being the most relevant impact of Redeia on society. In this case, the contribution is equivalent to 11.6 times the Company's net profit.

Anticipating change and taking action:

Intellectual capital generates the most positive effects, while negative effects are concentrated in diversity. The total net impact of this priority is positive, with an estimated 1.1 times Redeia's net profit.

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Measuring negative impacts allows to focus on areas in which it is necessary to improve results, such as raw materials associated with transmission grid equipment and greenhouse gas emissions in the electricity sector, the latter also indirectly in the value chain. Redeia demonstrates its commitment to improving these negative effects through the efforts made in the integration of renewables or by working to achieve the objectives of the National Integrated Energy and Climate Plan (PNIEC), among others, which would substantially reduce this impact. / **ESRS 2 SBM-3 p. 48 (c) i.**

Redeia's 2022 impacts

	Positive (base 100)	Negative (base 100)	Net (base 100)
Decarbonisation of the economy	51.18	-85.71	-34.53
Carbon footprint (Scope 1)	0.41	-0.41	0
Carbon footprint (Scope 2 and 3)	0.05	-20.9	-20.85
Avoided and offset emissions	50.73	0	50.73
Greenhouse gas (GHG) emissions from the electrical sector	0	-64.4	-64.4
Responsible value chain	310.26	-104.3	205.97
Own water footprint	0	-0.01	-0.01
Supply chain water footprint	0	-0.63	-0.63
Impact on birdlife	0.09	-0.39	-0.3
Land use	0.71	-2.38	-1.67
Noise pollution	0.28	-0.3	-0.02
Raw material supply	0	-99.07	-99.07
Own waste footprint	0.006	-0.008	-0.002
Supply chain waste footprint	0	-0.42	-0.42
Direct impact and pull effect on economic activity, employment, and tax contribution	286.41	0	286.41
Living wage	22.01	-0.96	21.05
Health, safety and wellbeing of Redeia's professionals	0.68	-0.05	0.63
Health and safety of contractors	0.08	-0.08	0
Contribution to social, economic and environmental development	1,165.61	0	1,165.61
Access, availability and security of power supply and connectivity	1,165.02	0	1,165.02
Social development	0.59	0	0.59
Anticipating change and taking action	121.9	-6.91	115
Innovation and intellectual capital	119.69	0	119.69
Diversity	2.05	-6.91	-4.86
Training of professionals	0.17	0	0.17
Total	1,648.96	-196.91	1,452.05

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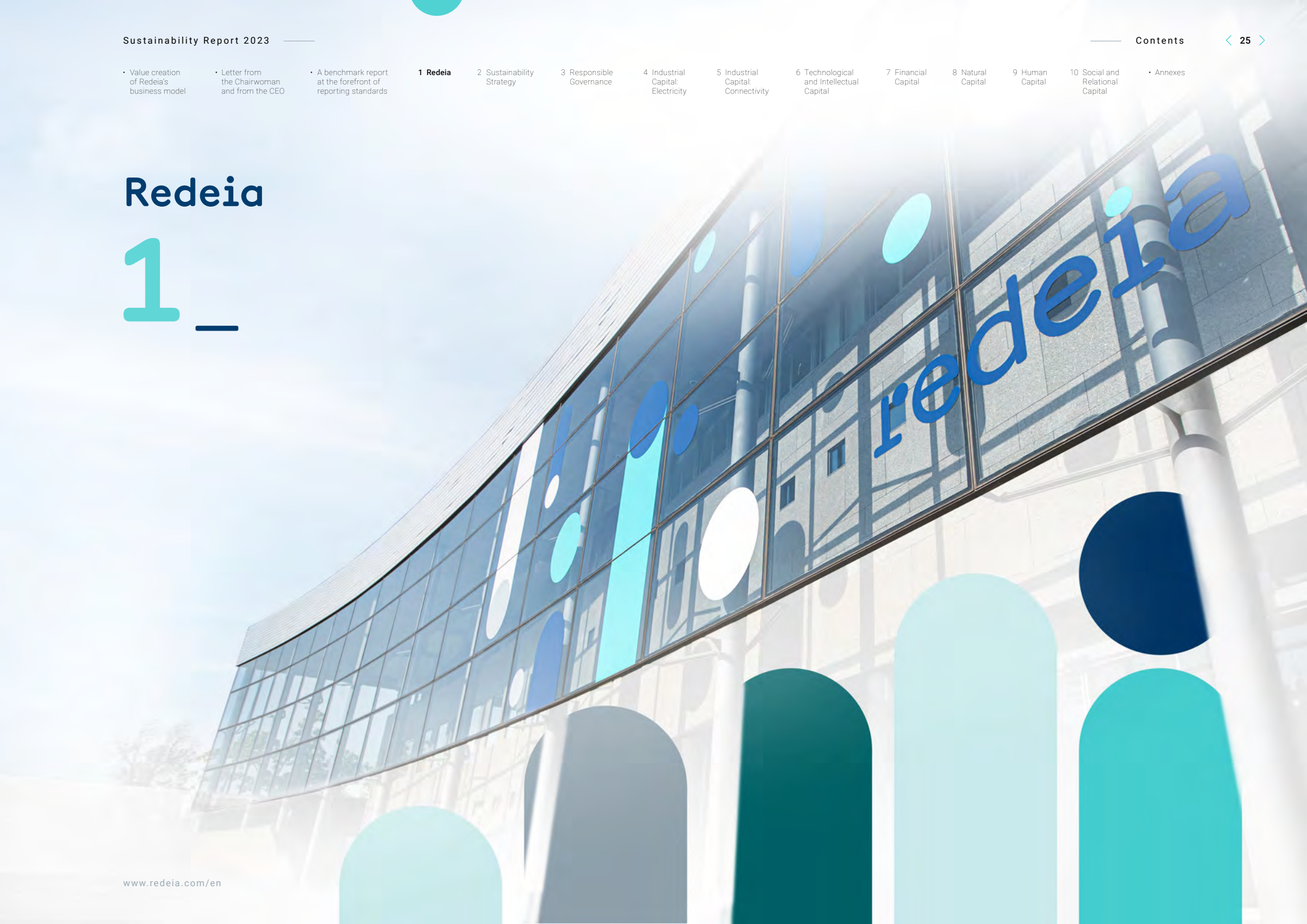
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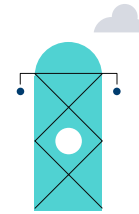
Redeia is a global operator of essential infrastructure that manages the Spanish electricity system in addition to transmission grids in Spain, Peru, Chile and Brazil, and also telecommunications networks (optical fibre and satellites), with a focus on innovation and sustainability.

Since its creation in 1985 as the world's first TSO (sole transmission agent and operator of the electricity system), the company has evolved to become consolidated as a benchmark group in the fields of electricity and telecommunications. Today Redeia follows a business model based on excellence, innovation, integrity and transparency, making its activity compatible with caring for the environment and generating shared value with society.

Purpose

Guarantee the electricity supply and ensure connectivity in the field of telecommunications, promoting a just ecological transition based on sustainability criteria, whilst showcasing our neutrality and contributing to social and territorial cohesion.

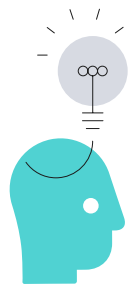
Hallmarks



Electricity

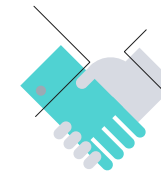


Telecommunications

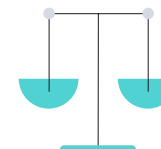


Talent

Ethical Values



Respect



Integrity



Sustainability



Redeia is a global operator of essential infrastructure and a driving force behind the energy transition and universal connectivity.



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Our services

ESRS 2 SBM-1 p. 40 (a) i.

red eléctrica

Backbone of the electricity system in Spain and guarantee of a secure, quality and increasingly renewable electricity supply.

reintel

Largest provider of dark fibre in Spain, essential for offering universal and inclusive connectivity.

hispasat

Leading player in the digital transformation and the reduction of the digital divide in Spain and Latin America.

redinter

Driving force behind the decarbonisation of the energy model and sustainable development in Latin America.

Technology platform for innovation focused on boosting the energy transition and promoting connectivity.

elewit

More information on Redeia's corporate website [↗](#)

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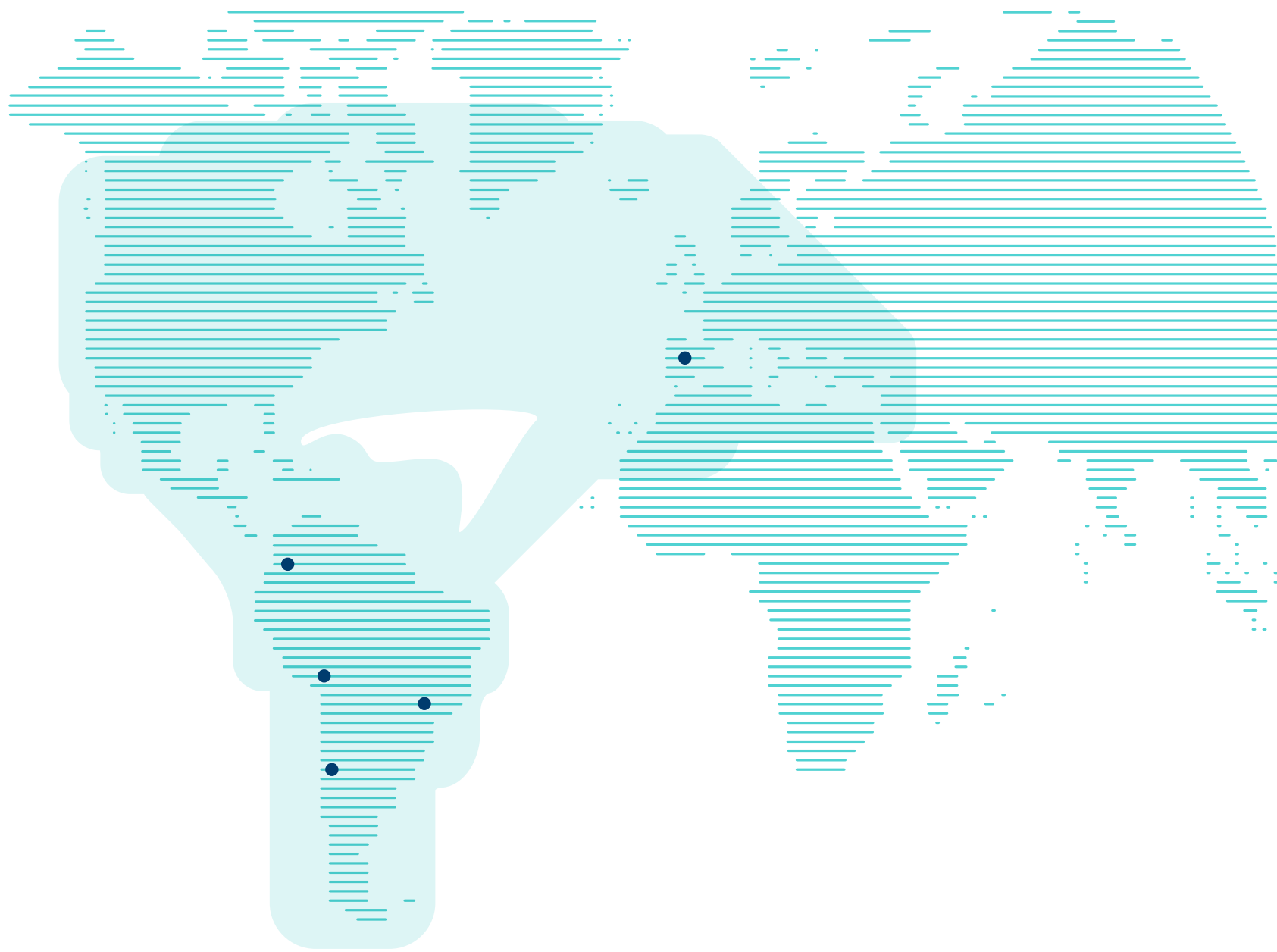
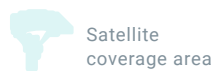
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Presence of Redeia in the world

- Countries in which the company has the largest presence: Spain, Peru, Chile, Brazil and Colombia.

Redeia also operates in Mexico, Germany, Ecuador, the United Kingdom, Greece, Argentina, South Africa, Luxembourg, Senegal, Belgium and the United States.



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Relevant facts of 2023

Jan.

Issuance of hybrid green bonds to drive the ecological transition in Spain.

The pumped-storage hydroelectric power plant in Salto de Chira receives 90 million from FEDER funds.

Feb.

Launch of the Amazonas Nexus geostationary satellite.

Mar.

Commencement of the construction of the new submarine electrical link between Tenerife and La Gomera, in Spain.

June

Commissioning of the new link between Ibiza and Formentera six months ahead of the scheduled date in Spain.

July

Entry into operation of the Amazonas Nexus geostationary satellite.

Sept.

Initiation of the second phase of the Red Eléctrica del Norte (Redenor) project in Chile.

Aug.

Implementation of the Integrated Impact Strategy to enhance the group's contribution to sustainability.

Celebration of the fourth Redeia Sustainability Conference in 2023.

Nov.

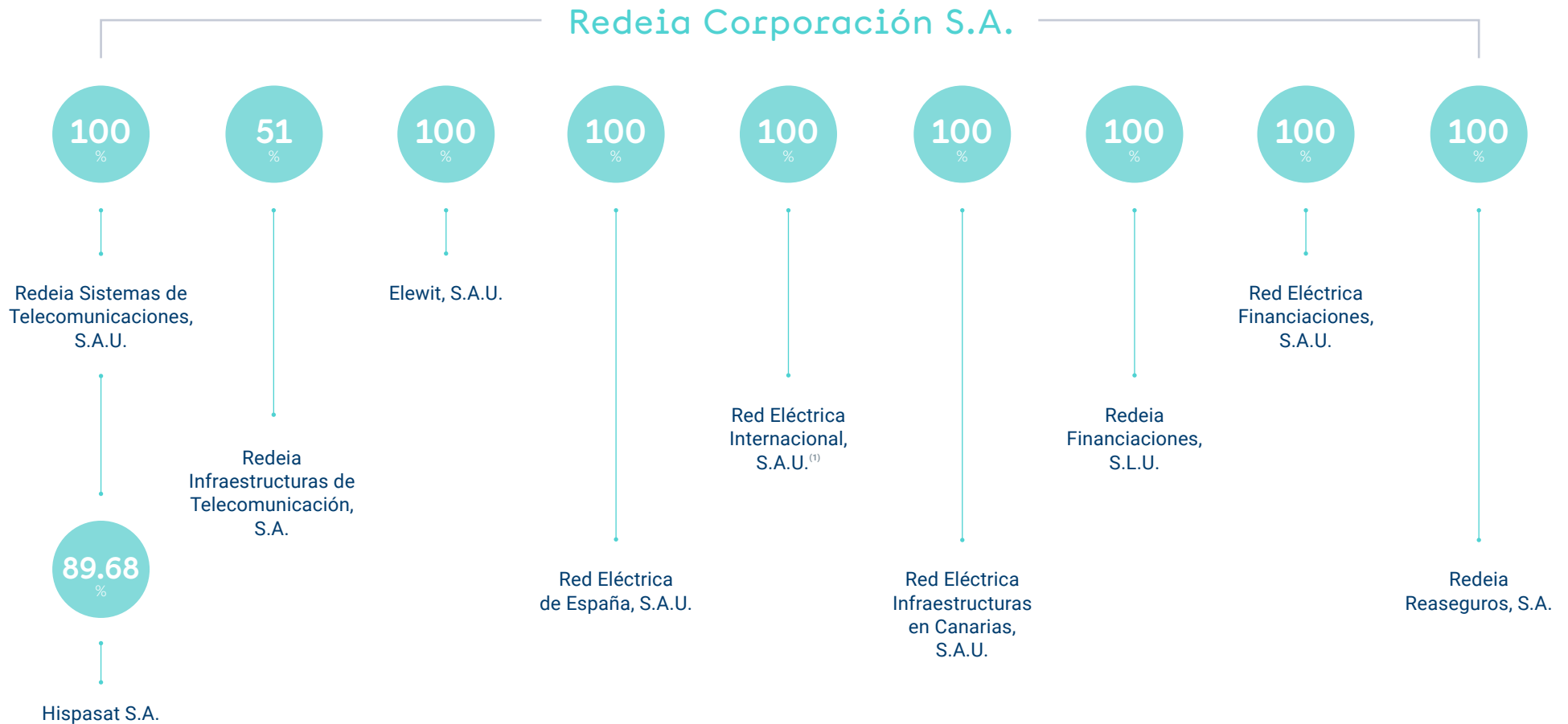
Beginning of construction work on a new underground line between Ibiza and Bossa in Spain.

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Structure of the Group

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(1) The investee companies ARGO and TEN are part of the corporate structure of Red Eléctrica Internacional S.A.U.

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Sustainable Strategy

2.1 Context



2.2 2021-2025 Strategic Plan

2.3 2030 Sustainability Commitment



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Macro-economic Landscape

Economic activity is recovering slowly and unevenly across geographical areas in the aftermath of the pandemic and the war in Ukraine,

and the recent start of the war between Israel and Hamas has introduced new elements of uncertainty.

2.1 Context

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While economies have shown remarkable resilience to these situations, growth prospects for the global economy are lower than before the pandemic began due to the confluence of a number of effects. Thus, the International Monetary Fund (IMF) forecasts world economic growth of 3.0% in 2023, compared with 3.5% the previous year.

From Europe's point of view, Russia's restrictions on natural gas supplies and European sanctions on oil and coal imports led to complications in the supply, although as a result of the different measures taken, such as the control of gas reserves and the diversification of supply sources, it has been possible to avoid significant incidents.

On the other hand, different elements are appearing that combined, may condition the energy sector in the medium and long term, such as the scarcity of fossil fuels as a consequence of lower investment in these fuels, the fragmentation



of markets due to geo-economic disintegration which would also influence mineral markets leading to a higher cost of energy transition, or the impact of extreme weather phenomena as a consequence of climate change.

Economic policies are conditioned by high inflation rates and central banks are taking measures to restore price stability, which is not expected to be achieved in most countries until 2025. On the other hand, fiscal authorities must restore their manoeuvring room and withdraw support measures taken to foster recovery that are not targeted at protecting the most vulnerable segments of society. This withdrawal of stimulus will, in turn, help to contain inflation and reduce debt levels.

Spain

In Spain, activity is showing greater dynamism than in other Eurozone countries. This greater strength is driven by the prominence of service activities linked to the hospitality and tourism industries as the manufacturing branches are showing greater weakness. This greater dynamism in the economy



In Spain, activity is showing greater dynamism than in other Eurozone countries. This strength is driven by the prominence of service activities linked to the hospitality and tourism industries.



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In its latest report, the Bank of Spain forecasts GDP growth of 2.4% in 2023 and a slowdown to 1.8% in 2024.



ELECTRICITY DEMAND 2023

-2.3%

decrease compared to the previous year

will be weighed down by monetary tightening to contain inflation, as well as by the gradual withdrawal of support measure and the moderation in the pace of tourism growth once pre-pandemic levels have been reached. In its latest report, the Bank of Spain forecasts GDP growth of 2.3% in 2023 and a slowdown to 1.8% in 2024.

Energy Landscape

Spain

The annual demand for the national electricity system for 2023 was 2.3% lower than the previous year. Electricity prices in Spain also

decreased considerably compared to 2022; in 2023, the total average final price was 99.6 €/MWh, compared to 204.34 €/MWh in 2022.

At the regulatory level, the year was marked by the dissolution of the Spanish Parliament on 30 May 2023 and the elections being brought forward to 23 July, with an interim government with limited capacity to adopt regulations, only those emergency measures to deal with the energy crisis arising from the war in Ukraine, such as Royal Decree-Law 3/2023 extending the gas cap and Royal Decree-Law 5/2023 which, among other measures, maintains the access and connection permits and Royal Decree-Law 8/2023 which, among other measures, regulates the demand access and connection permit and modifies certain administrative milestones to be met by renewable energy promoters.

In addition to these emergency measures, which were more moderate than in the previous year, the electoral advance caused all

legislative proposals in the pipeline to fall, such as the bill to act on the remuneration of CO₂ not emitted in the electricity market or the bill to create the National Fund for the Sustainability of the Electricity System.

Thus, the latest developments in the sector approved by the Ministry for Ecological Transition and the Demographic Challenge (MITERD) were Royal Decree 45/2023, which amends several annexes of Law 21/2013 regulating projects subject to ordinary and simplified environmental assessment, which highlights the inclusion of repowering projects in the simplified environmental assessment, and Order TED/807/2023, which approves the regulatory bases for granting aid to innovative energy storage projects within the framework of the Recovery, Transformation and Resilience Plan (NextGenerationEU).

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In June 2023, the Council of Ministers approved the draft of the new National Integrated Energy and Climate Plan (PNIEC) 2023-2030. The regulation enhances the ambition of the main targets for 2030.

Finally, in December, Order TED/1375/2023 was published, by which the Ministry for the Ecological Transition and the Demographic Challenge (MITERD) initiated the procedure to design electricity planning with a 2023-2030 horizon and which will take into consideration the new, highly ambitious goals published in the draft of the new **National Integrated Energy and Climate Plan (PNIEC) 2023-2030** approved by the Council of Ministers in June. The regulation enhances the ambition of the main targets for 2030. In addition, it includes the possibility of introducing ad hoc amendments in

the current 2021-2026 Transmission Grid Planning to provide viability for short-term strategic projects, along with the commencement of work on a new Transmission Grid Planning for the period 2024- 2029. It also maintains the importance of interconnections, including the interconnection in the Bay of Biscay (France) and the new interconnection with Portugal.

The National Markets and Competition Commission (CNMC), meanwhile, has also published new developments this year, including **Circular 1/2023, which modifies the incentive remuneration methodology**

and regulatory account of the electricity system operator, the Resolution approving the special remuneration regime applicable to the electricity interconnection between Spain and France through the Bay of Biscay and the Resolution of 27 July 2023, which establishes the remuneration of electricity transmission companies for the year 2020, as a result of the resolution of the procedure for the annulment of Order IET/981/2016.

Europe

Spain held the Presidency of the Council of the European Union for the second half of 2023.

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EU Directive 2023/2413 raises the target for renewable energy in final energy consumption to 42.5% by 2030.



Overall, the year 2023 was determined by the completion of some of the main pieces of legislation of the **"Fit for 55"** package. This package consists of a set of legislative proposals aimed at ensuring that EU policies are in line with the climate objectives agreed by the Council and the European Parliament. Of the most relevant initiatives, the following should be highlighted:

- Directive 2023/2413 on the promotion of the use of energy from renewable sources (RED III), which raises the EU target for renewable energy in final energy consumption to 42.5% by 2030.
- Energy Efficiency Directive 2023/1791, which raises the efficiency target to ensure an additional 11.7% reduction in energy consumption by 2030 compared to 2020.
- Regulation 2023/956, which establishes a Border Carbon Adjustment Mechanism applicable from 2026.

In the same direction, the European institutions continued the legislative process in the framework of the European Green Pact. With the new Regulation 2022/869 (TEN-E regulation) containing the sixth list of Projects of Common Interest (PCIs) benefiting from fast-track procedures and Projects of Mutual Interest (PMIs), which are developed in cooperation with third countries.

Beyond the Fit for 55 package, the most important milestone was the **proposed reform of the EU electricity market**. This foresees the amendment of Regulation (EU) 2019/943 on electricity, Directive (EU) 2019/944 on electricity and Regulation (EU) No 1227/2011 (REMIT).

Other countries in which Redeia has subsidiary companies

Concerning the regulatory environment applicable to **Chile**, on 16 February 2023, Decree 7T of the Ministry of Energy ("Tariff Decree") was published, which will govern the valuation of transmission facilities for the period 2020-2023. The Tariff

Decree puts an end to the valuation process of the transmission facilities subject to a four-year study.

On 26 April 2022 and through Resolution No. 288, the National Energy Commission (CNE) approved the Definitive Technical and Administrative Bases of the Valuation Study for the period 2024-2027, which establishes the regulatory scope to be followed by the external consultant that the CNE will award to prepare the valuation study for the four-year period 2024-2027.

Regarding national regulation in **Peru**, by Supreme Resolution No. 001-2023-EM, the Multisectoral Commission for the reform of the Electricity Subsector (Supreme Resolution No. 006-2019-EM) was extended for an additional eighteen months, starting on 13 January 2023, which is why, in the course of 2024, it is expected to have a white paper with institutional legislative proposals and regulatory reforms that resolve the challenges of the electricity industry.

Lastly, with regard to Brazil, 2023 was marked by the publication of Decree No.11.314/2022, in December

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2022. According to the decree, transmission facilities for expired concessions may be tendered together with new investments foreseen by the sectoral planning.

Since the publication of Provisional Measure 998/2020 (MP), which modified Law 9.427/96, the so-called renewable "gold rush" has been underway in Brazil, with the accelerated planning of new wind

and photovoltaic installations to guarantee discounts on transmission and distribution tariffs within the timeframe defined by the regulation. Faced with the risk that these companies will not meet the deadlines, the regulator (ANEEL) has postponed the new contracts. Considering the energy transition scenario in Brazil, the government is working on several bills, among them the bill that addresses the creation of new forms of financing for projects linked to the energy transition.

The year 2023 was also marked by Congress' attempts to interfere in decisions taken by the regulator ANEEL, but ultimately to no avail.

Telecommunications and technological Innovation landscape

Law 11/2022 (BOE of 29/06/2022) establishing the European Electronic Communications Code introduced improvements to facilitate the deployment of very high-capacity networks, as well as a more flexible regulation to reach co-investment agreements between operators and a boost to passive infrastructure

sharing. This law also incorporated the establishment of voluntary access commitments, the possibility of deploying small cells and the promotion of the secondary market for radio spectrum. The Law also includes the measures of the EU's "connectivity toolbox", which aims to promote coordination between administrations, establishing a single point for information and processing of permits for the deployment of networks to speed up their implementation.

On 23 February 2023, the European Commission presented a package of measures aimed at making gigabit connectivity available to all citizens and businesses across the EU by 2030. Of particular relevance among the measures presented is the proposed Gigabit Infrastructure Regulation ("Gigabit Act"), which aims to establish new rules to facilitate faster, cheaper and more efficient deployment of gigabit networks across the EU.

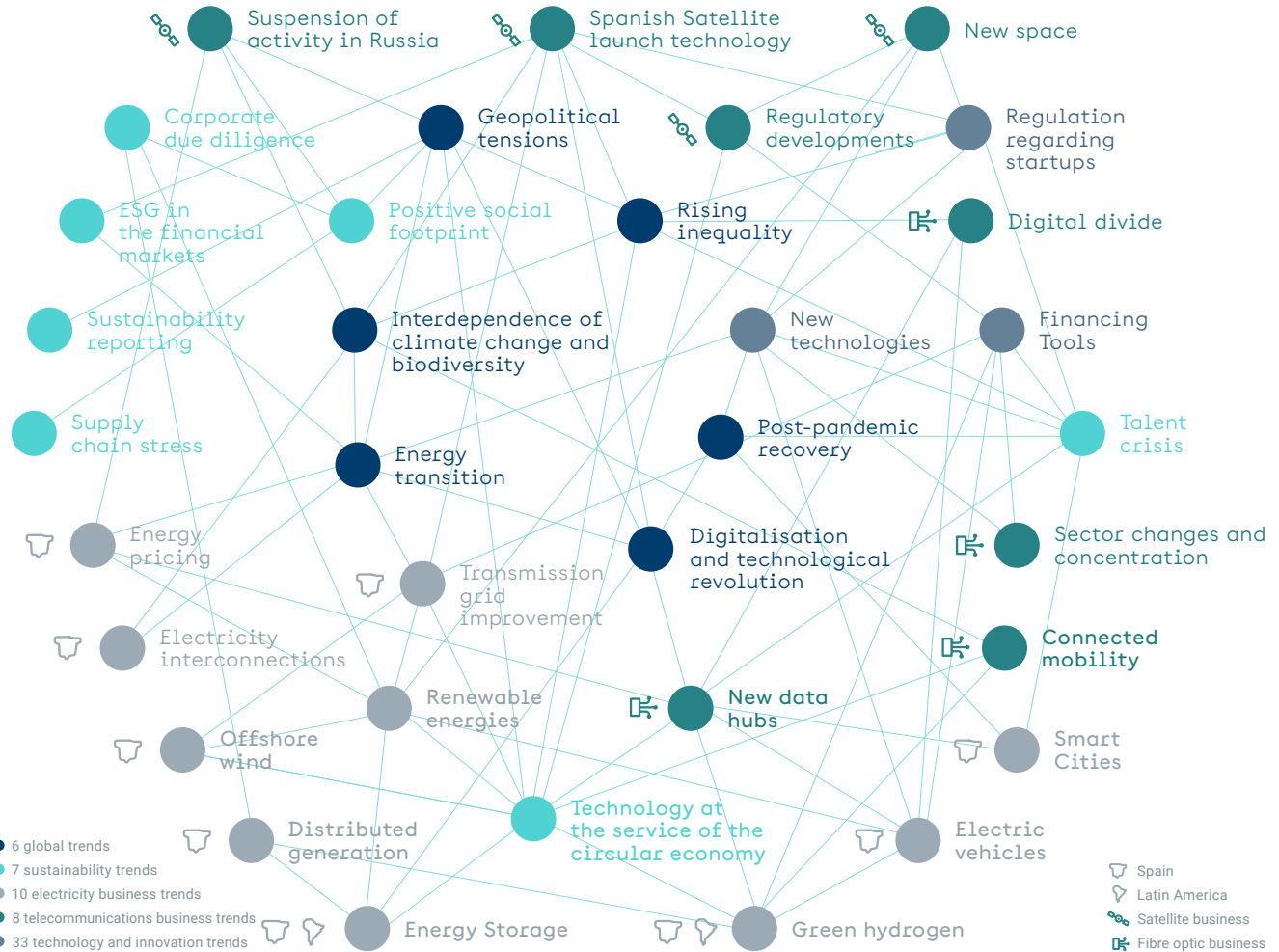
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Redeia's trend map

Trends

Within a socio-economic environment like the current one we are living in, and in which global challenges mark the agendas of companies and determine their long-term continuity and sustainability, Redeia conducted a comprehensive analysis of its sustainability context in 2022, identifying the 34 existing trends that determine issues with a relevant present and future influence on the group's business model.



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2021-2025 Strategic Plan

In February 2021, the Board of Directors approved Redeia's Strategic Plan 2021-2025.

This plan is based on three fundamental pillars:

a strong commitment to the energy transition, the promotion of connectivity solutions and the consolidation of its international business.

2.2

2.2 2021-2025 Strategic Plan

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The 2021-2025 Strategic Plan prioritises the development of the energy transition in Spain in order to move towards a decarbonised economy efficiently, promoting development in the field of telecommunications and consolidating the group's activity



The 2021-2025 Strategic Plan prioritises the development of the energy transition in Spain in order to move towards a decarbonised economy efficiently, promoting development in the field of telecommunications.



abroad, ensuring the financial and operational efficiency of the group. Furthermore, it seeks to ensure that talent and sustainability are the basis of the corporate culture, thus generating positive impacts through partnerships with the social environment and companies in the sector.

Redeia's Strategic Plan 2021-2025



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Strategic pillars / ERSR 2 SBM-1 p. 40 (g)



Making the energy transition in Spain a reality

Redeia is a key player in the green transition for the mass incorporation of renewables into the electricity system.

In this regard, the Company will focus its efforts on:

- Developing infrastructure necessary to reach a Net-Zero Carbon economy.
- Designing, building, and operating energy storage facilities as tools available to the electricity system operator.
- Operating a more complex, dynamic and digital electricity system.

Progress made in 2023

- Commissioning of the new submarine link between Ibiza and Formentera, which allows 100% of Formentera's energy demand to be covered in conditions of security and quality of supply.
- Agreement between Spanish and French regulators on the financing distribution of the Spain-France interconnection through the Bay of Biscay, and a resolution of uniqueness that includes it in the special investment remuneration regime.
- Progress of civil works at the Salto de Chira pumped-storage hydroelectric plant in Gran Canaria.



Boosting connectivity

Redeia seeks to boost greater connectivity in an increasingly interconnected world with more significant data needs through the following key courses of action:

- Boosting the satellite business as a lever to reduce the digital divide and orienting the Company towards the provision of mobility and connectivity services.
- Strengthening the current fibre optic business.
- Developing new opportunities around the deployment of 5G.

Progress made in 2023

- Reintel's agreements with local and regional operators for nationwide network deployment.
- Amazonas Nexus reaches its 61W orbital position and begins commercial operation.
- Launch of the ÚNICO Rural Demand programme.
- Hispasat joins the European Consortium for the tender of the future IRIS² satellite constellation.



Consolidating the business activity abroad

Redeia foresees consolidating its international presence as an element of diversification and growth. To this end, it defines the following as key aspects:

- Organic growth and consolidation in Brazil, Peru, and Chile in the construction, management and operation of electricity transmission grids.
- Analysing opportunities for expansion in countries with a stable remuneration model based on revenue flows that are steady and predictable over time.

Progress made in 2023

- Progress on the extension of the Centinela substation at Redenor 2.
- Commercial operation of TESUR4 in Peru.
- Completion of the project and commissioning of Sierra Gorda Solar (Redenor 2).
- Creation of a control centre in Chile to provide operating services to the assets of Redinter and Engie Chile.



Managing people

Redeia will promote cultural transformation and sustainable management and will seek to convert the organisation into a benchmark company as a healthy workplace. Specifically, it will focus its efforts on:

- Actively promote, develop and evaluate the Healthy Workplace Model, pursuing the safety and total wellbeing of people.

Progress made in 2023

- Signing of the XII Collective Bargaining Agreement of Red Eléctrica and the Collective Bargaining Agreement of Redeia Corporación S.A.
- Drafting of the Comprehensive Diversity Plan 2023-2025, the Workplace Safety and Well-being Plan 2024-2025 and the Disability Plan 2024-2030.
- Implementation of the Campus space.

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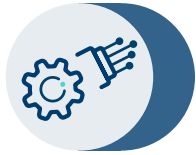
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Strategic pillars / continuation

- Drive the transformation of the Company by developing an innovative, agile and collaborative culture, empowered by self-leadership to achieve a more resilient organisation capable of tackling the challenges of the Strategic Plan in an environment of change and acting throughout the employee lifecycle to position the Group as a benchmark employer.

• Launch of Talentia, a development programme for technicians with managerial potential, which aims to develop the leadership skills of participants and foster cohesion among them.



Innovation and technology

Redeia will promote a leading position in innovation in the energy and telecommunications sectors, with Elewit as the driving force.

Progress made in 2023

- Adoption of innovative technological solutions meeting the new challenges of the electricity and telecommunications sectors.
- Extension of innovation tools to Latin America.
- Expansion of cybersecurity and robotics ecosystems.
- Consolidation of open innovation tools as a source for generating start-ups and business models and a lever for cultural transformation.



Efficiency

Redeia is committed to operational and financial efficiency, continuous improvement and comprehensive corporate security in order to guarantee the resilience and continuity of the business, as key factors in implementing the Group's strategic pillars.

Progress made in 2023

- Issuance of the first hybrid green bond for an amount of 500 million euros.



Sustainability

Redeia focuses on the responsible development of its activities in order to advance in the fulfilment of the 2030 Sustainability Commitment and to maximise the contribution of all the companies of the Group to the achievement of global targets, among which noteworthy are the Sustainable Development Goals (SDGs) of the United Nations.

Progress made in 2023

- Launch of the Integrated Impact Strategy to amplify the social and environmental contribution in all of Redeia's geographies and business areas.
- Installation of the first switches using an alternative gas to SF6, reducing the carbon footprint and advancing under the new Fluorinated Gases Regulation.
- Progress in the sustainable purchasing model.
- Progress in the non-financial information control system and data strategy.
- Continued inclusion of the Company in sustainability indices as one of the world's most sustainable companies in the Dow Jones Sustainability Index World by S&P, Euronext (Euro 120, World 120 and Europe 120) by Moody's, FTSE4Good and ISS ESG or MSCI, among others.

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Outlook for the coming years

Redeia's future growth strategy is focused on the development of the transmission infrastructure needed to make the energy transition a reality, energy storage projects for system management, and the incorporation of technological tools and solutions that respond to the future electricity system through reliable and smart grids that will contribute to maintaining the security of supply.

To meet the challenges of decarbonisation set by the European Union through Spain's National Energy and Climate Plan (NECP), major national and international interconnection axes will be needed, both terrestrial and submarine, as well as making the most of the existing grid and facilitating the connection of renewable energy generators and the construction of new smart grid facilities.

In the international sphere, Redeia will continue to focus on the consolidation and growth of the electricity business in the markets in which is present.



In order to meet the challenges of decarbonisation, it will be necessary to strengthen national and international terrestrial and subsea interconnections, as well as to take advantage of the existing grid, facilitate the connection of renewable generation and promote smart grids.



On the other hand, an increasingly interconnected world with greater data transmission needs will ensure a growing demand for telecommunications infrastructure. Redeia will facilitate connectivity by strengthening the current fibre optic business and will promote the satellite business as a lever to reduce

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the digital divide. The incorporation of partners in certain strategic assets will help the Company to take advantage of growth opportunities and maximise the value-generating capacity of its telecommunications business.

In the coming years, through Elewit, Redeia will consolidate its commitment to innovation, entrepreneurship and technological development as key elements of sustainability in an environment of transition in the world of both energy and telecommunications.

Redeia will significantly increase its social and environmental contributions across all geographic locations and business sectors where its infrastructure is deployed, enhancing the positive impact beyond mere investment projects and addressing structural challenges that contribute to territorial, generational, gender, and digital inequalities.



2021-2025 Commitments

• Total investment

€ 5,000 M

~ 75% earmarked for the transmission grid, cross-border connections, energy storage and system operation

• Maintain a solid credit rating

• Dividend Policy

2021-2023 **1.0 €** share

• Financial Efficiency 2025

EBITDA Margin **70%**

Net debt / EBITDA **< 5x**

Ratio FFO / Debt **> 15%**

2024-2025 At least **0.8 €** share



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2.3

2030 Sustainability Commitment

The 2030 Sustainability Commitment of Redeia, approved by the Board of Directors, materialises the commitment made by the

Company to its long-term continuity and success through a business model capable of creating shared value for all its stakeholders through the responsible execution of its activities.

2.3 2030 Sustainability Commitment

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Redeia's 2030 Sustainability Commitment is based on ten principles defined in the Sustainability Policy and is based on four sustainability priorities aimed at responding to the sustainability challenges.

10 principles of sustainability

Financial Sustainability



Excellence and Corporate Responsibility



Innovation



Corporate Governance and Ethics



Transparency



Talent, Diversity and Equality



Partnership with Stakeholders



Creation of Shared Value



Caring for the Environment



Respect for Human Rights

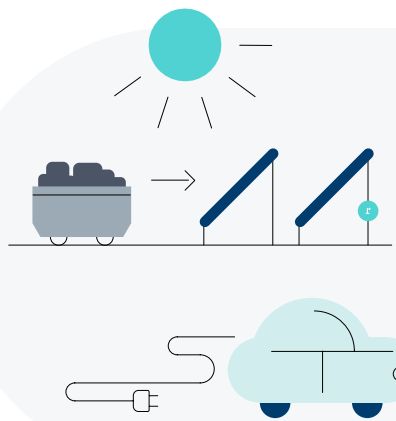


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2030 Redeia's sustainability priorities

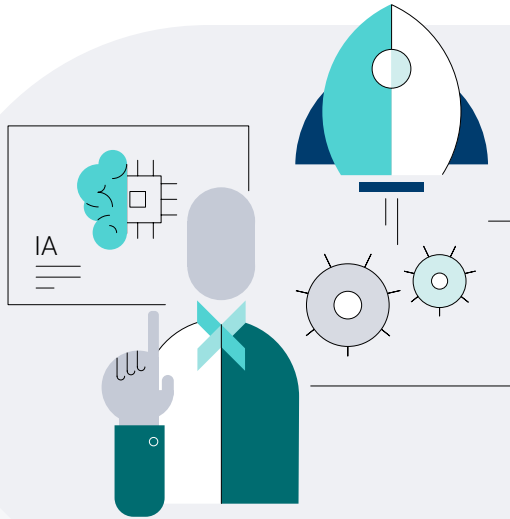
Anticipating change and taking action

Promote a culture of innovation and flexibility that enables us to identify growth opportunities and respond to the challenges of the future, staying ahead and adapting to global trends and the regulatory environment that is arising out of the new energy model.



Decarbonisation of the economy

Be a proactive agent in the energy transition towards a zero-emissions model, focusing efforts on the electrification of the economy and the efficient integration of renewable energies, through the development and operation of energy storage systems and a more robust and better-connected network.



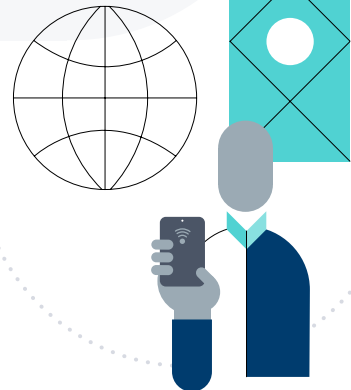
Responsible value chain

Extend the Company's responsibility commitment to all links in the value chain, ranging from employees to suppliers and clients, accomplishing this through the creation of alliances and by basing it on our corporate governance and integrity model.



Contribution to social, economic and environmental development

Contribute to society's economic, environmental and social progress by providing a key service safely and efficiently. This is achieved by promoting environmental conservation, the quality of life and the social wellbeing of people. We also seek to involve the communities where our facilities are located in all aspects related to the Company's activities to generate a mutual benefit that positively impacts society as a whole.



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2030 Sustainability Goals

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In 2019, Redeia established eleven sustainability objectives with a 2030 vision, aligned with the Strategic Plan. The drafting, during 2022, of the 2023-2025 Sustainability Plan

has made it possible to define mid-term objectives to achieve Redeia's 2030 ambition and, consequently, to update and/or firm up the 11 already existing objectives.

These goals, validated by the Sustainability Steering Committee, the Executive Committee, the

Board's Sustainability Committee and approved by the Board of Directors, contribute directly to the achievement of the United Nations Sustainable Development Goals.



Redeia establishes 11 sustainability objectives with a 2030 vision associated with the priorities of the Company's Commitment to Sustainability.



Decarbonisation of the Economy

2030 Goals

2025 Goals

Climate change



- Emissions and 28% reduction in Scope 3 emissions compared 55% reduction in Scope 1 and 2 to 2019.

- 30% reduction in Scope 1 and 2 emissions.
- Two-thirds of suppliers (in terms of emissions) were SBTi approved (compared to 2019).
- 100% of Scope 1 emissions offset.

Energy transition



- Safely integrate 100% of available renewable energy into the electricity system: 74% of renewable energy in the electricity generation mix.
- Empower society to promote their active participation in the energy transition process.

- >60% renewable energy in the electricity generation mix.
- Launching of the expanded Datahub, which, in accordance with regulations, can be accessed by authorised participants and stakeholders.
- Greater content on the REData and RedOS platforms.

Sustainable financing



- 100% sustainable financing.

- 60% sustainable financing.

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Responsible value chain

2030 Goals

2025 Goals

Biodiversity



- Generate a positive net impact on the natural capital in the areas surrounding our facilities.

- 100% of the critical line sections marked by Red Eléctrica.
- 100% of the investment projects with a commitment to protecting the plants and the fight against deforestation.

Circular economy



- Be a leading company in circular economy: Redeia 0% waste to landfill. Redeia 6.5 m³ of water consumption per employee per year in work centres.

- 0% waste to landfill in Red Eléctrica.
- 6.5 m³ of water consumption per employee per year in Red Eléctrica work centres.

Suppliers



- Be a driver of change for our suppliers: at least 25 supplies with a major impact on the transmission grid with circularity criteria (LCA – Life Cycle Assessment), climate change, security, diversity, and biodiversity.

- At least 10 supplies with the greatest impact on the transmission grid shall include circular criteria (LCA), climate change, security, diversity and biodiversity.

Contribution to social, economic and environmental development

2030 Goals

2025 Goals

Diversity



- Be a reference employer for gender equality: 50% of women on Redeia's Board of Directors and the Group's management team.
- Promote inclusion of groups at risk of exclusion from society and employment

- 50% of women on Redeia's Board of Directors.
- 38% of women in the Group's Senior Management.
- At least 40% of the legal percentage for the direct hiring of people with disabilities.
- Increase of 20% of the volume hired through Special Employment Centres for the provision of services in Redeia.

Digital divide



- Reducing the digital divide: 100% connection rate for people in the areas surrounding our facilities.

- Encourage the development of the fibre optic business of at least three local carriers.
- 100 Mbps connectivity deployed throughout Spain.

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The 2030 Sustainability Commitment is driven by the Board of Directors and the Redeia management team, incorporating sustainability into the day-today decisionmaking process of the entire organisation.



Anticipating change and taking action

2030 Goals

Innovation and technology



Be a reference company for technological innovation. Adoption of 64 innovative technological solutions in Redeia that address the Group's key challenges, contributing tangible or intangible value.

2025 Goals

Adoption of 24 innovative technological solutions in Redeia that address the Group's key challenges, contributing tangible or intangible value.

Organisational structure of sustainability

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Since 2018, Redeia has had a Sustainability Committee within the Board of Directors, consequence of the strategic nature of this issue for the company.

The Sustainability Steering Committee and Corporate Director of Sustainability and Research play a crucial role, reinforcing the involvement of senior management in the decision and the involvement of all the organisation's departments for the monitoring, supervision and implementation of the 2030 Sustainability Commitment.

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Duties and responsibilities / 2-12

Approval

Board of Directors

- Approve the Sustainability Policy.
- Approve plans and targets for the deployment of the Sustainability Commitment 2030.

Sustainability Committee

- Promote ethical leadership that encourages conformity with the Code of Conduct and Ethics, as well as the adoption of corporate values, both inside and outside the organisation.
- Supervise compliance with the Group's sustainability policies aimed at helping contribute to meeting the Sustainable Development Goals.
- Monitor the Group's strategy and practices in relation to the 2030 Sustainability Commitment and the sustainability policies and how they are linked to the strategic plan.
- Supervise the relationship processes with the various stakeholders.
- Supervise and coordinate the process of reporting information on sustainability matters in accordance with international standards of reference.

Monitoring and Assessment

Sustainability Steering Committee

- Propose the Group's Sustainability Principles and Guidelines.
- Guarantee the fulfilment of the targets and priorities of the 2030 Sustainability Commitment.
- Ensure the establishment of a management system and promote its efficient implementation.
- Guarantee the analysis and assessment of all stakeholders' requirements within the company's strategies.
- Promote internal awareness.

Oversight

Corporate Sustainability and Research Area

- Advise the Group on matters related to sustainability.
- Define and design the activities and structural elements of the Group's management model.
- Design and monitor the Group's plans and programmes.
- Ensure the development and ongoing improvement of sustainability management systems, structures, plans and projects.

Implementation

Organisational Areas

- Carry out their activities and projects in accordance with the principles and guidelines set out in the 2030 Sustainability Commitment, ensuring the involvement of all collaborators concerned.
- Participate in the implementation of sustainability actions.

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2023-2025 Sustainability Plan

The 2030 Sustainability Commitment is deployed through multi-year plans. The 2023-2025 Sustainability Plan

was approved by the Board of Directors. Following its validation by the Executive Committee, the Sustainability Steering Committee and the Board's Sustainability Committee.

2023-2025 Sustainability Plan: courses of action

Decarbonisation of the economy

- 1**
Advance towards making the energy transition a reality.
- 2**
Reduction of the carbon footprint.

Responsible value chain

- 3**
Guarantee occupational health, safety, and wellbeing.
- 4**
Progress in the environmental integration of facilities into the surroundings
- 5**
Protection and conservation of biodiversity.
- 6**
Promote the circular economy.
- 7**
Expansion of sustainability in the supply chain.
- 8**
Consolidation of a customer-centric culture.

Contribution to social, economic and environmental development

- 9**
Encourage diversity.
- 10**
Strengthen our social licence.

Anticipating change and taking action

- 11**
Building a sustainable regulatory framework.
- 12**
Acceleration of innovation, technology and digitalisation.
- 13**
Development of the necessary talent.
- 14**
Adaptation to climate change.



Vision of the 2023-2025 Sustainability Plan: maximum Redeia's contribution to sustainable development, promoting the responsible management that emphasizes the value of our internal flexibility and external alliances to consolidate the group as a worldwide reference for sustainability.



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The plan, which reached a level of compliance of 52% in 2023, consists of 14 courses of action aligned with the Group's strategic plan and the Sustainable Development Goals to advance towards the Group's priorities and goals for sustainability. They respond to what our stakeholders expect and demand.

It should be noted that Redeia annually defines a sustainability objective for the management team. The fulfilment of this objective has an impact on the remuneration of the workforce. In 2023, the managerial objective was defined on the basis of the degree of fulfilment of the 2023-2025 Sustainability Plan, reducing CO₂ emissions and its presence among the main sustainability indexes (Dow Jones Sustainability Index and EuronextVigeo).

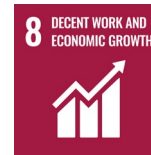
Contribution to the Sustainable Development Goals (SDG)

Redeia is an active agent in the achievement of the Sustainable Development Goals (SDGs) through the deployment of its 2030 Sustainability Commitment.

Based on the nature of its activity and the countries in which it operates, Redeia identifies the priority SDGs, indicating its contribution towards each one. However, as a socially responsible agent, Redeia meets the global 2030 Agenda of the United Nations through its performance in sustainability

Redeia prepares a specific annual report on its contribution to the SDGs, which it publishes on its [website](#).

Priority SDGs in Redeia



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Redeia was named a European Ambassador for Excellence, granted by the Excellence in Management Club, a partner of EFQM in Spain, for having more than 700 points in the latest EFQM assessment and showing its commitment to excellent, innovative and sustainable management.



Corporate responsibility management system

The activities of Red Eléctrica, and the services it receives from Red Eléctrica Corporación, are within the scope of a certified corporate responsibility management system in accordance with the international standard IQNet SR10 (Social Responsibility Management system). The proper implementation and operation of the system are assessed annually through external audits and periodically through internal audits. In 2023, both audits were successfully passed and no deviations from the system were detected.

Red Eléctrica Andina S.A., Red Eléctrica del Sur S.A. and the TESUR, TESUR 2 and TESUR 3 projects have also maintained the certification of this standard in 2023.

Guarantee of excellence

Redeia has an **excellence policy**, revised in 2021, which establishes its principles in relation to the commitment to excellence in management, focused on the creation of sustainable value that

satisfies or exceeds the requirements and expectations of the stakeholders within the ecosystem of Redeia, acting as a lever for the achievement of outstanding results in the present and in the future.

The Company has, since 1999, adopted the **European Foundation for Quality Management** excellence model as a tool to achieve enhanced performance in the Company's management and since then, it conducts external evaluations regularly as required by this model. In 2022, Redeia carried out the external assessment of Redeia Corporación S.A. and Red Eléctrica de España S.A.U in accordance with the EFQM 2020 model, obtaining a score of over 700 points and, therefore, the recognition of the EFQM 700+ Seal of Excellence for Innovation and Sustainability. Following this assessment, the extension of the model in Reintel and Redinter was started in 2023.

Redeia also has quality systems certified for the ISO 9001 standard in the parent company and in the main subsidiaries of the Group and especially the certification

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of the international standard UNE-ISO 19650-1 and UNE-ISO 19650-2 related to Information Management Systems for the construction of buildings and civil engineering works, which use the Building Information Modelling (BIM) collaborative work methodology in the construction project for the Salto de Chira pumped-storage hydroelectric power station in Gran Canaria. / **ESRS 2 BP-2 AR 2**

Stakeholder management model

ESRS 2 SBM-2 p. 45 (a) iv. / ESRS 2 SBM-2 p. 45 (a) v. / ESRS 2 SBM-2 p. 45 (c) i.

The aim of Redeia's Stakeholder Management Model is to achieve a relationship based on trust and oriented towards the creation of shared value.

The design of this Model has taken into account the indications of the main reference norms and standards in stakeholder management, such as AA1000, ISO 26000, IQNet SR10 or the Global Reporting Initiative (GRI), in order to ensure that the Company studies the main impacts that its activities have on its stakeholders, and the influence that these stakeholders have or can acquire over the company. In this way, Redeia, focuses this relationship on the creation of shared value, strengthening the positive impacts and quickly identifying the negative impacts that could affect the relationship, in order to minimise them.

The Sustainability Policy approved by the Board of Directors. In 2022



Redeia's stakeholder management model follows the guidelines of the main standards for managing stakeholders to ensure that the company studies the impact on its stakeholders and their influence on the company.



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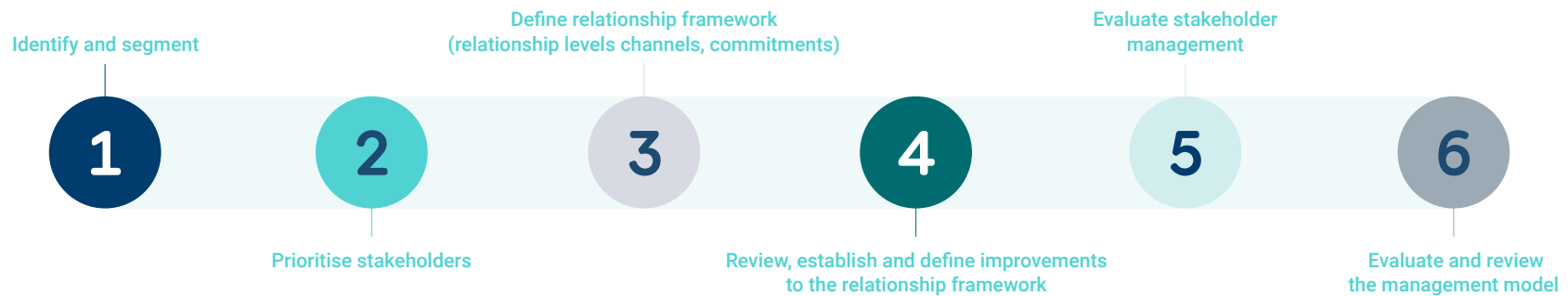
establishes the principles of sustainability, directing all activities towards a responsible business management model, focused on excellence, and creating value for stakeholders,

respecting the compliance with the commitments made with them.

In 2020, Redeia initiated the review of the group's Stakeholder management model. In 2022,

the review included the electricity sector in Spain (Red Eléctrica) and in 2023, it studied the implementation of the model in the different companies.

Phases of the stakeholder management model / ESRs S3-1 AR 9 / ESRs 2 SBM-2 p. 45 (a) iii.



The stakeholder management model includes six distinct phases:

1 – Identify and segment groups of stakeholders based on the analysis of the interrelationships between the Company's processes and activities with its associates and the reason why they are of interest.

2 – Decide the importance of stakeholders based on three priority factors: the Company's impact on the stakeholder, the stakeholders' influence

over the Company and stress. The result is a **prioritised inventory**.

3 – Definition and deployment of the optimal relationship with the stakeholder will depend, first of all, on the commitments acquired by the Company, and the level of priority and engagement that is considered appropriate.

4 – Each of the companies and stakeholder supervisors will deploy and establish the

relationship framework, promoting dialogue with the stakeholders, the creation of improvements based on the reason for the relationship, significant issues and needs and expectations, maximising positive impacts and minimising negative ones. Redeia extends its commitment to sustainability to all areas of business and organisational levels in the Company, to ensure value creation for its stakeholders.

5 – Evaluation of stakeholder management based on identifying their demands and

expectations systematically and regularly, using different methods based on each group's relationship framework. This assessment will lead to action plans, aimed at responding to the relevant issues, and to the needs and expectations identified.

6 – Regular reviews of the stakeholder management model to take into account significant changes in the Company's internal or external context, thereby ensuring that it is aligned with the business environment and useful as a management tool.

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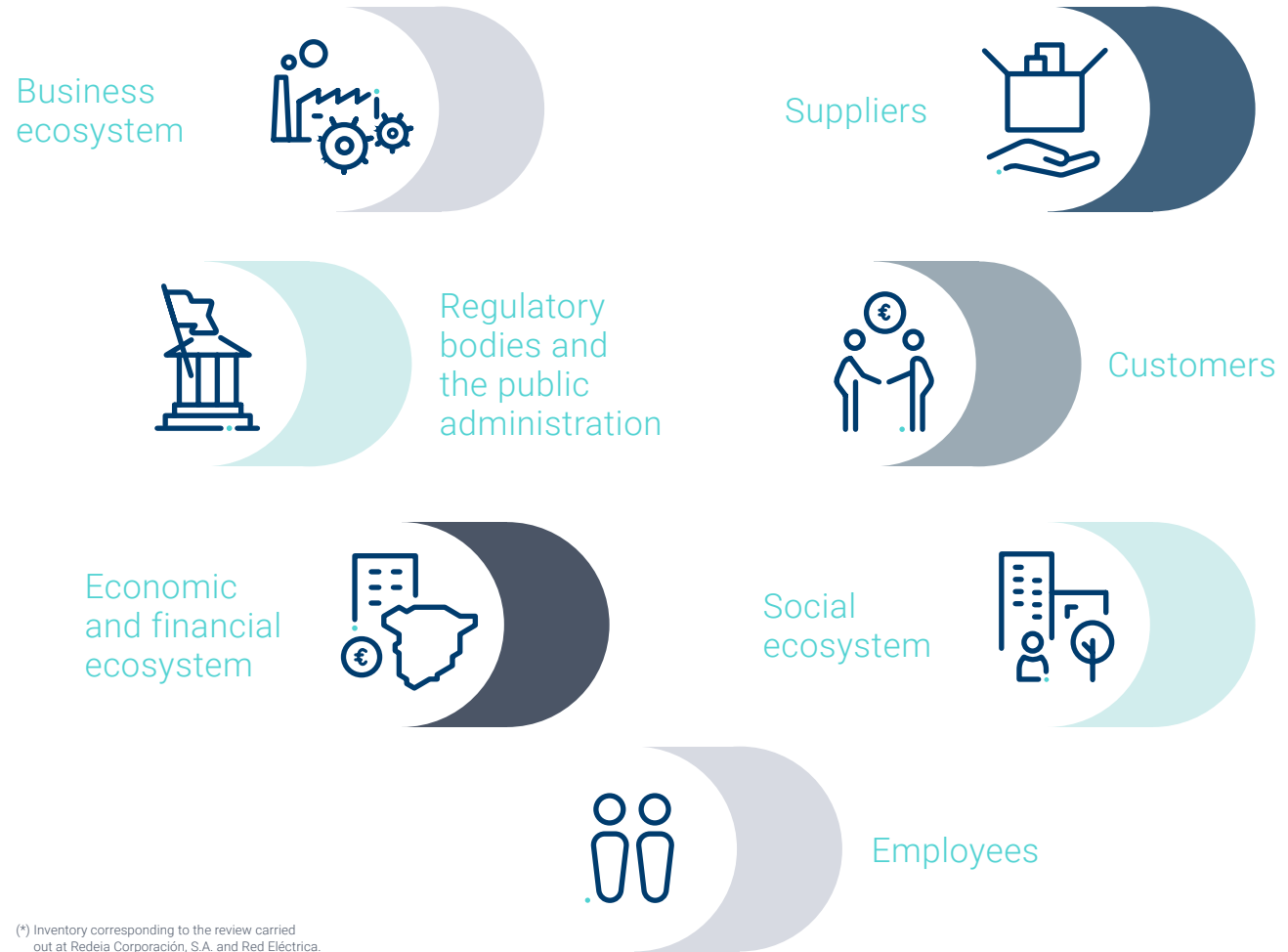
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Stakeholder groups^(*) / ESRS 2 SBM-2 p. 45 (a) i.



^(*) Inventory corresponding to the review carried out at Redeia Corporación, S.A. and Red Eléctrica.

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Commitment to stakeholders / ESRs 2 SBM-2 p. 45 (a) ii.

Regulatory bodies and public administrations



- Independence of the System Operator.
- Transparency, reliability, accuracy, integrity and promptness of information.
- Proactivity in analysing problems and proposing solutions.
- Respect for the principle of legality, compliance and respect for international standards of business conduct.
- Provision of advice and collaboration with European and national institutions.
- Good corporate governance.
- Driving the energy transition in Spain.
- Contribution to sustainable economic, environmental and social development.

Economic and financial ecosystem



- Application of best practices in corporate governance and risk management.
- Voluntary adoption of the Code of Good Governance of Listed Companies.
- Ethical conduct.
- Transparency and rigour in information.
- Quality and security in operations.
- Financial solvency in the medium and long term.
- Long-term relationships based on trust.
- Creation of economic value in the short and long term.
- Dividend policy (profit distribution).
- Sustainable financing by 2030.
- Provision of information promptly and under equal conditions.
- Fluid, transparent and close dialogue.

People



- Ethical culture and integrity, favourable to diversity and equal opportunities.
- Compliance with legislation and with collective bargaining agreements.
- Continuity of the business project and job stability.
- Talent management and professional development.
- Healthy work environments from a unique perspective of comprehensive wellbeing.
- Work-life balance.
- Two-way dialogue based on fluid and close communication.
- Facilitating free association and direct dialogue with the management team.
- Participation in the management of the Company through workers' representatives.
- Visibility of management.
- Adequate and timely response to requests and requirements.
- Attention to specific needs: provision of solutions.

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Commitment to stakeholders

Suppliers



- Guarantee equal competition, fair treatment, and non-discrimination.
- Proportionality in the procurement model.
- Compliance with contractual commitments.
- Guarantee, solvency, payment made in due time and form.
- Ethical conduct, transparency and integrity.
- Visibility of needs and resources with fair and necessary anticipation.
- Act as a driver of change.
- Promote responsible practices and sustainability criteria along the whole supply chain and extend the commitment to sustainability to all links.

Customers



- Acting as a driver and facilitator of the energy transition in Spain.
- Respect for the principle of legality and regulatory compliance.
- Proactively act as a facilitator for legal compliance.
- Excellence in all processes and services.
- Equal treatment for all electricity system users.
- Transparency, security, reliability, rigour and veracity of information.
- Capacity for close dialogue, active listening, and the provision of helpful information.
- Confidentiality of information.
- Compliance in terms of deadlines and quality with the functions assigned in the transmission grid planning process and in the commissioning of facilities.
- Efficient management (in due time and form) of incidents, enquiries and claims.
- Creation of shared value.

Social ecosystem



- Respect for the principle of legality and regulatory compliance.
- Generation of social, environmental and economic value in the areas of the facilities and in projects.
- Transparency of the Company's information in a clear, timely, complete, relevant, orderly and simple manner.
- Creation of spaces and channels for fluid dialogue and prior consultation, favouring participation, guaranteeing a swift response, proximity, active listening and identifying and analysing needs.
- Prevention and mitigation of the effects and impacts of works and facilities.
- Rapid response to incidents and emergencies.
- Allocation of the necessary resources for the fulfilment of the commitments undertaken.

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Commitment to stakeholders

Business ecosystem



- Respect for the principle of legality and regulatory compliance.
- Transparency, rigour and reliability regarding the information shared.
- Ethical conduct and honesty in defending of the interests of associations and their members.
- Professionalism, commitment and representation in working groups.
- Active participation in projects seeking common objectives of efficiency and effectiveness for common processes and challenges.
- Generation of alliances in the quest for solutions.
- Trust, active listening and closeness.
- Systematic dialogue, strengthening communication channels.

Redeia has also designed **files on stakeholders by category** that include their structure, a map showing their impact and influence and stresses, commitments acquired and the communication channels used. It has also defined a **relationship matrix** that identifies the Company's organisation units that engage with each stakeholder, the unit responsible for the relationship and the type of relation that exists.

Redeia also offers its stakeholders appropriate, accessible channels for submitting suggestions, demands, expectations, opinions and complaints, as well as to

provide them with transparent, honest and timely information. The Company is firmly committed to **transparency and dialogue with its stakeholders**, sharing its most important projects and results, either directly or through the channels set up between them, using the web page and social media, as well as various periodical reports.

Perception studies

2-29 / ERS 2 SBM-2 p. 45 (b) / ERS S3 SBM-2 p. 7

Perception studies can detect the demands and expectations of stakeholders, and make quantitative and qualitative analyses of their

needs. The studies are conducted periodically, according to a multi-year plan, and are carried out with the collaboration of an external consultant to guarantee the validity and confidentiality of the process. The results obtained are periodically reported to the Corporate Director of Sustainability and Research to keep them informed. Every year, the overall results are sent to the Sustainability Committee and Sustainability Steering Committee so that they can oversee the strategic processes of stakeholder relationships and ensure the establishment of best practices in these relationships. **/ ERS 2 SBM-2 p. 45 (d)**

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The company uses the evaluation and analysis of the information gathered to prepare action plans

and supervise their compliance according to the commitment to continuous improvement. Both

the results of the studies and these plans are reported to the stakeholders analysed, to inform them about the actions that Redeia will take in the areas it considers necessary to strengthen. Compliance will be reported in the launch of the following study.

In 2023, the Company carried out perception studies on local government (Councils), Owners of land and properties, Customers, Opinion leaders, the third sector (social organisations) and governmental institutions. Internally, there have been evaluations of the perception of IT services provided by Redeia's Information Technology Department.

Responding to shareholder requests 2-29

Redeia offers its stakeholders a range of service channels, with multiple means of contact, which they can use to submit any type of request associated with the services provided by the Group's

Global indicators of the stakeholder perception study

	2021	2022	2023
Perception index	8.0	8.0	8.2
Level of perception	8.1	8.1	8.2
Global satisfaction level for services	7.9	8.0	8.1
Evaluation of communication and information activities	7.8	7.9	7.7
Evaluation of activities performed	8.2	8.3	8.3
Reputation	8.0	8.1	8.4

Evaluation of Reputation aspects

	2021	2022	2023
Corporate reputation	8.0	8.1	8.4
Global image	8.5	8.5	8.9
Ethics and compliance	8.3	8.4	8.6
Good governance and transparency	7.8	8.0	8.4
Strategic vision and financial solidity	7.8	7.9	8.3
Business leadership	7.9	7.9	8.1
Risk Management	8.2	8.2	8.5
Innovation and change	7.8	7.8	8.2
People management	8.2	8.3	8.6
Orientation towards stakeholders	8.0	8.0	8.3
Conservation and improvement of the environment	7.9	8.0	8.2
Local development	7.9	7.9	8.2

PERCEPTION INDEX
8.2
out of 10
of all the stakeholders analysed

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Redeia has a robust service model for its Stakeholders to ensure the traceability of communications and guarantee solutions within fixed deadlines.



companies. It should be noted that the business activities of Redeia's companies never have

an impact on the health and safety of consumers.

Red Eléctrica

Since 2008, the DÍGAME service has guaranteed professional attention for requests to the operation services of the national electricity system and the management of the transmission grid submitted by external stakeholders through the Group's various communication channels available (phone, e-mail, online web form and post or registered fax). This service is staffed by personnel of the Juan XXIII Foundation

Requests received, by type and company of the group

	2022							2023
	Total Redeia	Total Redeia	Red Eléctrica	Redinter	Reintel	Hispasat Spain	Hispasat others	
Claim	94	87	86	0	0	1	0	
Incident	5,668	7,029	-	-	802	2,386	3,841	
Attention service	9,982	11,203	3,878	563	-	3,594	3,168	
Complaint	34	23	16	4	-	3	0	
Query	8,341	8,726	2,267	13	-	3,319	3,127	
Suggestion	5	5	5	0	-	0	0	
Request	1,402	1,997	1,392	546	-	47	12	
Notification	200	452	198	0	-	225	29	
Total requests	15,744	18,319	3,964	563	802	5,981	7,009	

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Roncalli, a non-profit organisation that offers employment opportunities for disabled people.

In 2023, a total of 3,964 requests were received and handled, with the customer stakeholder group using the service the most (1,361 requests) followed by the social sector (825 requests) and investors and shareholders (761 requests). To a lesser extent, there were also enquiries. Suppliers, regulatory bodies, opinion leaders and others.

Claims received

	2022	2023
By type		
Quality and continuity of supply	10	8
Impact of facilities	28	35
Power measurement	1	0
Others	6	1
Total	45	44
By claimant (stakeholder group)		
Social sector	38	39
Business sector/Professional associations	4	5
Customers	3	0
Total	45	44

While Red Eléctrica answers all the requests received, it pays special attention to complaints as they are messages that express non-compliance with the commitments acquired, or that report real damage derived due to the Company's activity, and for which a solution is expected.

Of the complaints received in 2023, 44 were considered valid as they were associated with the roles and responsibilities of Red Eléctrica. 39 of these were also considered (accepted as the arguments on which their

Requests by stakeholder / %

34.3
Customers

20.8
Social sector

16.5
Business sectors and associations

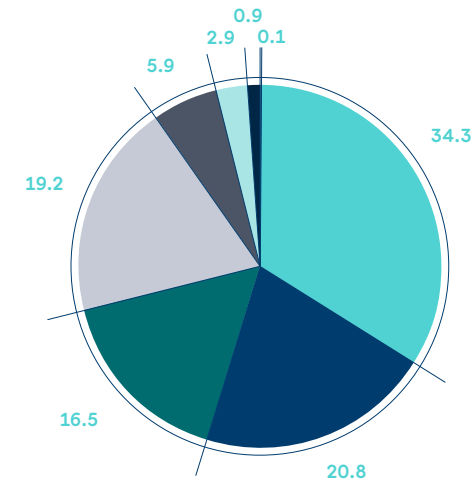
19.2
Investors and shareholders

5.9
Suppliers and technology providers

2.9
Regulatory bodies and administration

0.9
Opinion leaders

0.1
Others



The DÍGAME service provides professional attention to requests related to the operating services of the system and management of the transmission grid.



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Redeia has various service channels to handle any request associated with the services provided by the group.



THERE WERE
31
claims resolved

and 13 in the process of resolution

full or partial acceptance was based were considered true and reasonable).

Most of the claims received relate to the impacts of Red Eléctrica facilities and infrastructure, mainly in aspects regarding the felling and clearing of vegetation or damage to infrastructure.

Of the 44 valid grievances, 31 were resolved at the close of 2023, with 7 related to the impact of facilities and 6 related to quality and continuity of supply that, due to the complexity of the remedy,

are still pending solution. There are also 2 grievances registered in 2022.

It should be noted that in the case of the electricity transmission business, due to the criteria applied in the design of facilities, the levels of the electric and magnetic field (EMF) remain below those recommended by the Council of the European Union (Official Journal of the European Union 1999/519/CE: limitation of exposure of the general public in places where they can remain some time, from 5 kV/m for the electric field and 100 μ T for the magnetic field).

The main criteria applied are the following:

- Construction of double circuits and transposition of phases in lines.
- Raising of supports, which increases the distances for safety.
- Minimum distances from the lines to population centres and isolated homes.



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To verify compliance with recommendations, Red Eléctrica has a tool that uses certain line parameters to accurately gauge the maximum levels of EMFs that the facilities can generate. For further information about this aspect go to the chapter in this report on the **Integration of facilities in the environment.** ↪

Redinter

The DÍGAME International service offers stakeholders a communication channel for sending requests related to the Company's business in Peru and Chile. These can be formulated through various communication channels (telephone, email, web form, customer service desks, field offices or via community relations representatives).

In 2023, a total of 563 requests were received and handled in South America, with the regulatory bodies being the stakeholder group that made use of the service the

most (419 requests), followed by communities and social sector (84 requests) and other groups (60).

There were 4 complaints in Peru related to compensation for the use of the easements and compliance with social commitments and no claims, while there were no complaints registered in Chile. At the close of 2023, 66 requests are being processed in Peru and there are 4 in Chile.

Reintel

Reintel has its own permanent (24/7) supervision and service centre that controls and monitors the status of the grid and deals with incidents and scheduled customer work, in order to offer a reliable, high-quality service.

Requests by stakeholder group of Redinter / %

74.5

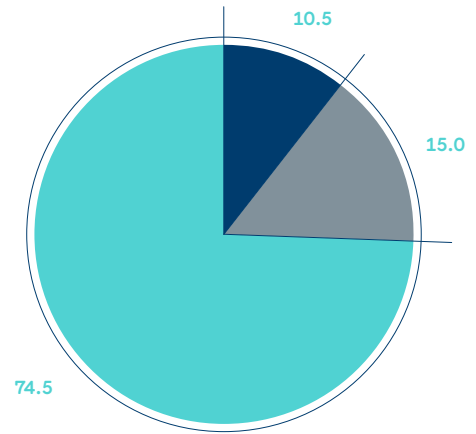
Regulatory bodies

15.0

Social sector

10.5

Others



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802 network incidents affecting customers were attended to in 2023. Of the total number of incidents, 60% were due to electricity supply failures, works by third parties, natural causes and vandalism, while the remaining 40% corresponded to scheduled work on the network.

In line with normal operations, incidents were dealt with, and faults were repaired within the time periods established in the customer contracts.

Hispasat

Hispasat also maintains a continuous dialogue with its customers. It offers them various tools to enable them to engage in direct communications. These are a call centre (24/7) in three languages (Spanish, Portuguese and English) and with local numbers, and a support centre or web portal, through which customers can open service incidents or request specific information.

A total of 12,990 requests were received in 2023, most of them being queries related to operating issues, requests for information, alignments, changes or service provision, among others.

Leadership in sustainability 2023 Sustainability Conference Sessions

In October, Redeia held the fourth edition of the **Sustainability Conference Sessions** with the title *The sustainable future starts today*. These sessions were a forum for collective debate and discussion about how to drive action with a shared vision, in partnership and alliances, to help create a sustainable future.

Thirty national and international experts discussed topical issues such as the circular economy, climate change, sustainable finance, telecommunications and the development of rural areas, among others.



The Sustainability Conference Sessions are a forum for collective debate and discussion about how to drive action with a shared vision to help create a sustainable future.



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Redeia is included in the Dow Jones Sustainability World Index for another year and is one of the 10 most sustainable companies in its sector worldwide, according to The Sustainability Yearbook 2023, by S&P Global.



ESG Profile of Redeia

Sustainability analysts	Scale	Results	Evolution
S&P Global	0 - 100	83	↓
Moody's	0 - 100	73	↑
FTSE 4 Good	0 - 5	4.3	→
MSCI	CCC - AAA	8.2 (AAA)	↑
ISS ESG	D- / A+	74.3 (B+)	↑
Sustainalytics	0 - 100	77.1	↑
Bloomberg GEI	0 - 100	72.8	↓
CDP climate change	F - A	A	→

Presence in sustainability indexes

Redeia's presence in the most prestigious international sustainability indexes shows its firm commitment to sustainability and its dedication to responsible transparency and accountability towards stakeholders.

The Company has also voluntarily joined various initiatives that strengthen its commitment to sustainability, notably: the United Nations Global Compact Principles, the UN Women's Empowerment Principles, the New European Green Deal, Climate Ambition Alliance, Caring for Climate, the Biodiversity Compact, the Code of Good Tax Practices and the CEO. Initiative for Diversity, among others. / 2-28

Presence in sustainability indexes

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Transparency and Communication

Redeia has continued to expand its digital platforms in 2023, especially its corporate website (www.redeia.com/en) with new content and services to enable it to strengthen its direct contact

with its stakeholders, encouraging transparency, reliability, and trust.

Work has continued throughout the year on a complete overhaul of the Sustainability section to bring home the company's commitment to this issue.

This new section offers a new design and focus on content. Another feature is the revision of contents related to sustainable financing and the adaptation of the Ethics and conduct channel to Portuguese, and other policies related to good management of the Company's business in Brazil.

Figures 2023

Corporate websites

OVER 12 MM
visits

Blog Red2030

OVER 38,000
visits with more than 26,000 users

X (formerly Twitter)

31,873
users

Facebook

5,615
followers

LinkedIn

78,465
followers

YouTube

2,877
followers

Creating sections on Sustainability for Redinter And Reintel to transfer the 2030 Sustainability Commitment as a transverse long-term strategic commitment also stands out on the subsidiaries' other web pages. News sections have been published to keep all stakeholders informed about new developments for each subsidiary. In the specific case of Reintel, there are new sections related to the Company's governance.

On the other hand, Red2030 continues to be the forum for group actions intended to contribute to achieving a fair and inclusive sustainable model.

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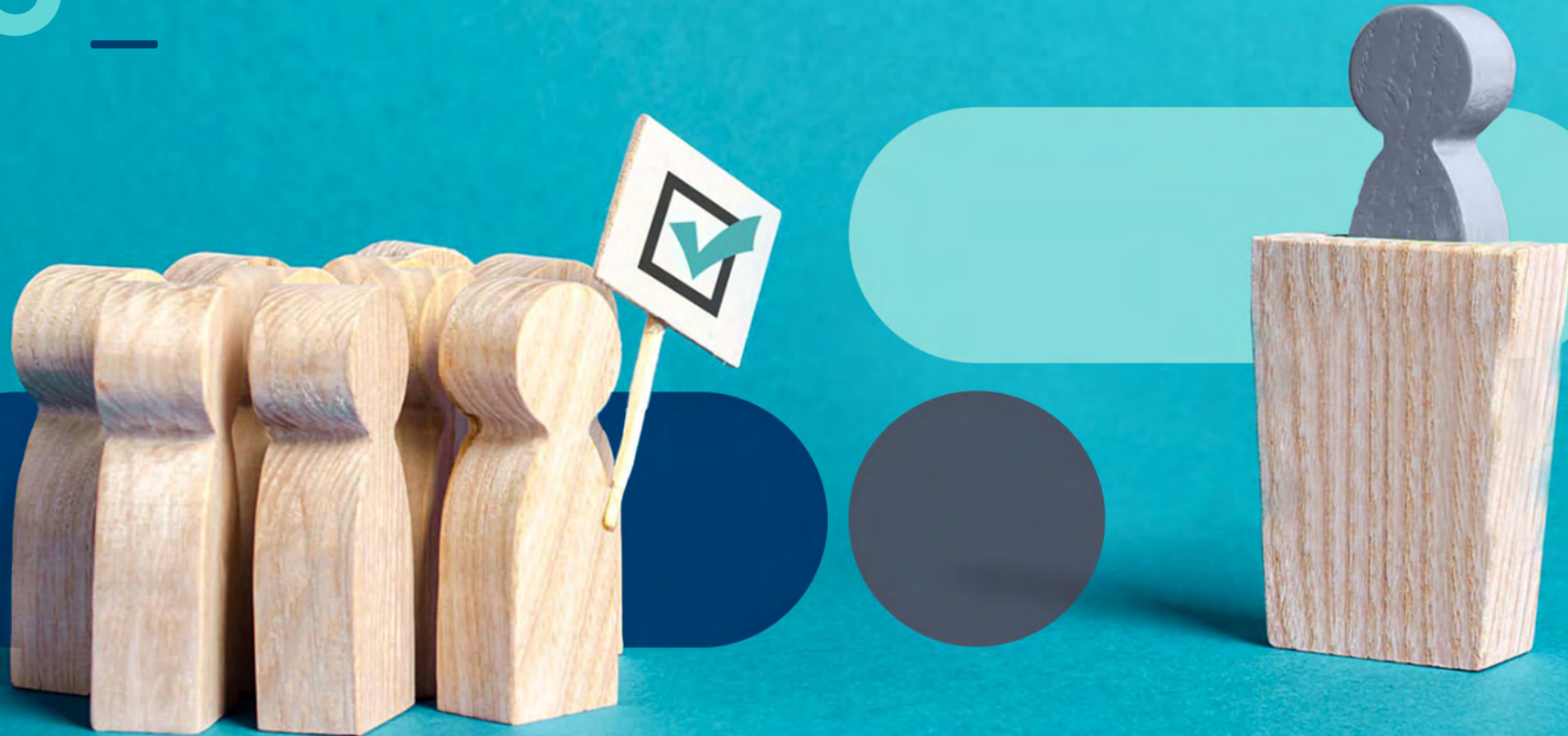
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Responsible Governance

3.1 Corporate Governance



3.3 Risk Management



3.2 Ethics and Compliance



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Key indicators in 2023

94.25% (1) average percentage of votes in favour of the approval of resolutions at the General Shareholders' Meeting.

65.09 % shareholder attendance at the General Shareholders' Meeting.

50% of women on the Board of Directors

58.33% independent directors.

Execution of the Action Plan 2023 Protocol for involving the Board of Directors with the employees.

Revision of Contingency Plans for the Chairwoman and CEO.

Revision of the design, format and content of the Annual Report on Corporate Governance.

Revision of the competency matrix of the Board of Directors.

Challenges for 2024

Revision of the Board of Directors Regulations to adapt it to current legislation and the latest recommendations for corporate governance

Revision of the Internal Conduct Regulations for the Stock Exchange to adapt it to current legislation and the best practices in this field.

Approval of the Board Members Remuneration Policy (2025-2027).

3.1 Corporate Governance

3.1

Milestones 2023

Modification of the Company Statutes and Regulations of the General Shareholders' Meeting to adapt to the new company name

Change of name for various group companies to adapt to the new group brand (Redeia).

(1) In the agreements related to Board Members' Remuneration, the State Industrial Holding Company (SEPI) abstains as it is the criterion it adopts in all listed companies in which it does not have a majority shareholding. Excluding the resolutions above, the average percentage of votes in favour of the approval of the items on the General Shareholders' Meeting agenda was 98.27%.

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Governance structure

2-9

Redeia Corporación, S.A. (In this chapter, the “company” or “parent company”) has a robust and transparent corporate governance system that, as mentioned in Redeia’s **corporate governance policy**, adopts the best practices and recommendations for good governance generally accepted in international markets and is an essential strategic element to ensure the company’s good governance.

Corporate governance and shareholding structure

The governance and management of Redeia and of the parent company are entrusted to the General Shareholders’ Meeting and the Board of Directors.

On 31 December 2023, the company’s capital stock consisted of 541,080,000 shares of one type and series with a par value of 0.5 euros each, fully subscribed

General Shareholders' Meeting

Board of Directors

Audit Committee

Appointments and Remuneration Committee

Sustainability Committee

Management Team



INTERNAL RULES OF GOVERNANCE (31 December 2023)

- Code of Conduct and Ethics.
- Company By-laws.
- Regulations of the Board of Directors.
- Internal Code of Conduct on the Securities Market.
- Regulations of the General Shareholders’ Meeting.
- Procedure for delegation, voting and remote information for the General Shareholders’ Meeting (referring to the General Shareholders’ Meeting held in 2023).
- Operating Rules of the Shareholders’ Electronic Forum (referring to the General Shareholders’ Meeting held in 2023).

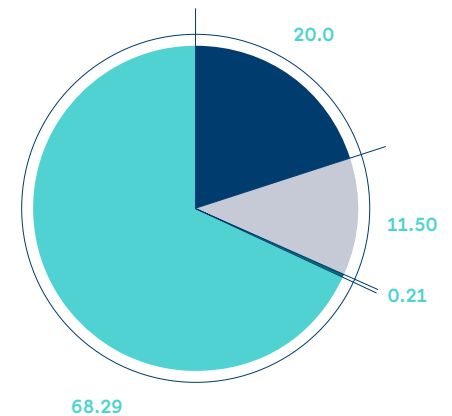
Shareholding structure / %

68.29
Spanish and foreign institutions

20.0
State Industrial Holding Company (SEPI)

11.50
Minority shareholders

0.21
Treasury stock



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and paid up, represented by book entries and admitted to trading on the four Spanish stock exchanges. For further information on the Company's shareholding structure, please refer to the Significant Holdings and Bought Back Shares section on the website of the Spanish National Securities Market Commission (CNMV). / **2-1**

General Shareholders' Meeting

The General Shareholders' Meeting represents all shareholders of the company and exercises the duties assigned to it as the governance body of the Company.

Transparency and participation

The company pays special attention to the shareholders' right to information and offers them maximum participation.

Some of the key mechanisms are:

- Electronic voting system at the General Shareholders' Meeting since 2005.
- Publication of complete information on the meeting on the corporate website.
- Live broadcast of the Meeting via the Internet, with simultaneous translation in English and sign language in Spanish
- Availability of the shareholders' electronic forum.
- Option of attending via remote means if and when approved by the Board.
- Availability of the Shareholder Service Office.
- Dissemination via social networks.



In 2023, the General Shareholders' Meeting was held allowing attendance in person and via remote means, guaranteeing the rights of attendance and voting for all shareholders.



Right of attendance representation and information

- Possibility of issuing voting certificate.
- No minimum threshold for attending the meeting.
- External audit of the management processes of the General Shareholders' Meeting.
- Separate voting on each of the items on the Agenda that were submitted for approval at the Meeting.



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The 2022 Sustainability Report was included for the second year running as a separate item as information for the 2023 Annual Shareholders' Meeting.



- Representation for anyone in the meeting, regardless of whether they are shareholders.
- Remote attendance via live streaming to enable remote electronic voting during the meeting when accepted by the Board of Directors.

General Shareholders' Meeting 2023. Key indicators

Share capital

€ 270,540,000

Shares

541,080,000

Voting rights

541,080,000

Minimum number of shares to attend the meeting

1

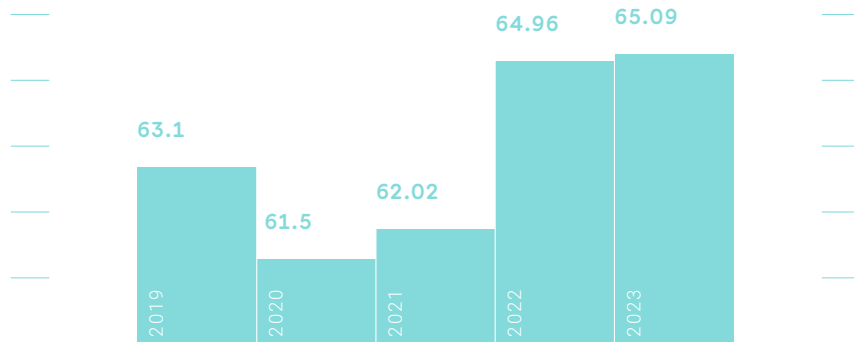
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Redeia has added, as information for the General Shareholders' Meeting 2023, a summary of the Redeia Sustainability Plan 2023-2025 as a separate point.



Attendance quorum at the General Shareholders' Meeting / % over capital stock



RESOLUTIONS APPROVED

94.25⁽¹⁾

%

average percentage of votes in favour in the approval of resolutions at the 2023 Ordinary General Shareholders' Meeting

(1) In the resolutions concerning the remuneration of the Board of Directors, the State Industrial Holding Company (SEPI) abstains as it is the criterion it adopts in all listed companies in which it does not have a majority shareholding. Excluding the aforementioned resolutions, the 2023 General Shareholders' Meeting had an average percentage of votes of 99.6% in favour of the approval of all the items on the agenda.

Sustainable General Shareholders' Meeting ESRS 2 BP-2 AR 2

The Company certifies its General Shareholders' Meeting in accordance with the UNE-EN ISO 20121 standard for sustainable events, establishing sustainability objectives applicable to events held by companies of the group. The Company obtained the **Sustainable Event certification** from AENOR for its 2023 General Shareholders' Meeting.

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Main results

Redeia's objectives for sustainable events

2023 Measurements

2023 Achievements

<ul style="list-style-type: none"> • Minimising the carbon footprint of the event. 	<ul style="list-style-type: none"> • Calculation of the carbon footprint of the event. 	<ul style="list-style-type: none"> • 5.96 tCO₂ eq. offset
<ul style="list-style-type: none"> • Ensuring universal access to the event. 	<ul style="list-style-type: none"> • Accessibility to the event for the hearing impaired. • Accessibility to all documentation for the Meeting. 	<ul style="list-style-type: none"> • 100% of the content is interpreted with sign language. • 31% of documents are accessible to visually impaired people.
<ul style="list-style-type: none"> • Guaranteeing the health and safety of all participants. 	<ul style="list-style-type: none"> • Guaranteeing the health and safety of all participants. 	<ul style="list-style-type: none"> • 0 accidents occurred at the event.
<ul style="list-style-type: none"> • Promoting the contracting/hiring of services from vulnerable groups. 	<ul style="list-style-type: none"> • Promoting the contracting/hiring of services from vulnerable groups. 	<ul style="list-style-type: none"> • 20% (1 out of 5) suppliers hired employees from vulnerable groups.
<ul style="list-style-type: none"> • Raising awareness regarding sustainability among participants at the event. 	<ul style="list-style-type: none"> • Raising awareness regarding sustainability among participants at the event. 	<ul style="list-style-type: none"> • 313 views during the live-streaming broadcast of the Meeting.
<ul style="list-style-type: none"> • Integrating circular economy criteria into the development in the carrying out and organisation of the event. 	<ul style="list-style-type: none"> • Use of recycled or recyclable materials. 	<ul style="list-style-type: none"> • 100% of materials used were either recycled or recyclable.

Redeia annually certifies its General Shareholders' Meeting as a sustainable event.

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Board of Directors

2-9 / 2-12

The Board of Directors of Red Eléctrica Corporación, S.A. governs, manages and represents the Company, putting the interests of society and its shareholders above its own interests while respecting the law, the statutes and principles of good corporate governance.

The Board carries out its duties according to the organisation and operating rules contained in the Company Statutes and the Regulations of the Board. The responsibilities of the Board of Directors in this sense are:

- Approval of the Company's general policies and strategies, especially the Risk control management policy and the corporate governance policy.
- Deciding the appointments of senior-level directors, the remuneration of board members, information on financing, sustainability and strategic investments (except those assigned to the General Shareholders' Meeting).

Board of Directors

31 / Dec / 2023

Chairwoman

Beatriz Corredor Sierra

Chief Executive Officer

Roberto García Merino

External Nominee Directors (SEPI)

Mercedes Real Rodríguez
Member of the Audit Committee

Ricardo García Herrera
Member of the Appointments and Remuneration Committee

Esther María Rituerto Martínez
Member of the Sustainability Committee

External Independent Directors

Carmen Gómez de Barreda Tous de Monsalve
Chairwoman of the Sustainability Committee and Lead Independent Director

Socorro Fernández Larrea
Chairwoman of the Appointments and Remuneration Committee

Antonio Gómez Ciria
Chairman of the Audit Committee

José Juan Ruiz Gómez
Member of the Audit Committee

Marcos Vaquer Caballería
Member of the Appointments and Remuneration Committee

Elisenda Malaret García
Member of the Sustainability Committee

José María Abad Hernández
Member of the Audit Committee

Secretary of the Board of Directors

Carlos Méndez-Trelles García
Non-Board Director

Vice-Secretary of the Board of Directors

Fernando Frías Montejo
Non-Board Director

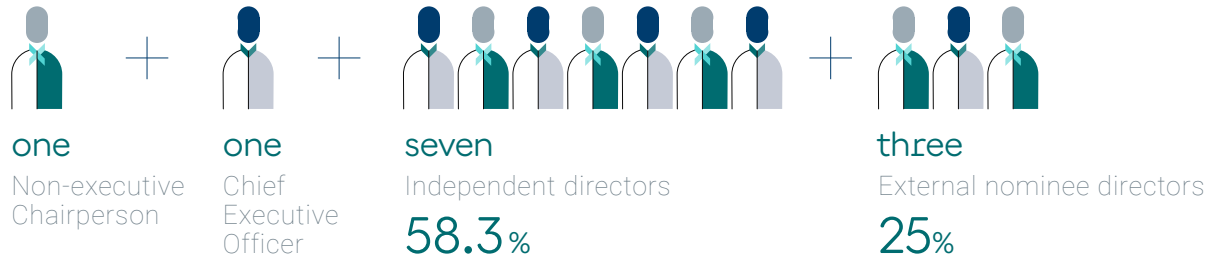
- **Annual evaluation of the quality** and efficiency of the Board and the functioning of its committees.

It should also be noted that the Board's responsibility in relation to the impacts, risks and opportunities in matters of sustainability is also reflected in article 5.5 of the Board of Directors. Regulations and article 11.3 c) in the specific case of the chief executive officer. / **ESRS 2 GOV-1 p. 22 (b)**

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A reduced, balanced and efficient Board of Directors

405-1 / 2-9 / ESRS 2 GOV-1 p. 21 (e) / ESRS 2 GOV-1 p. 21 (a)



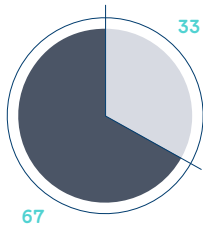
Appointments and Remuneration Committee

/ 3 members

CHAIRPERSON
Independent director

33%
Nominee directors

67%
Independent directors



14 Meetings

100% personal attendance at meetings

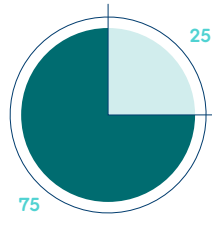
Audit Committee

/ 4 members

CHAIRPERSON
Independent director

25%
Nominee directors

75%
Independent directors



11 Meetings

100% personal attendance at meetings

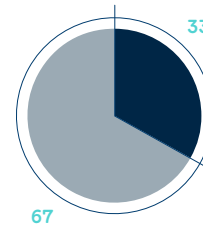
Sustainability Committee

/ 3 members

CHAIRPERSON
Independent director

33%
Nominee directors

67%
Independent directors



11 Meetings

100% personal attendance at meetings

0.0089%

Percentage of total voting rights

66.7%

Board directors reappointed in the last 4 years



More than 58% of the members of the Board of Directors are independent.



Diversity on the Board of Directors at 31 December 2023

405-1 / 2-9 / ESRS 2 GOV-1 p. 21 (d)

Gender

50% of the Board members are women



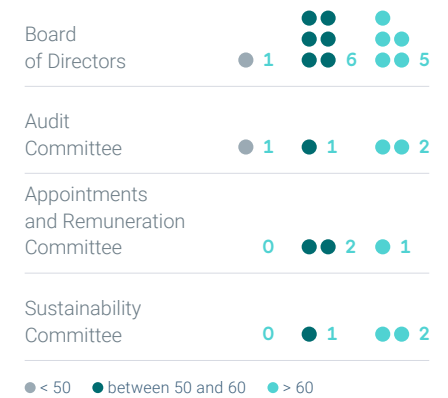
	Women	Men
Board of Directors	6	6
Audit Committee	1	3
Appointments and Remuneration Committee	1	2
Sustainability Committee	3	0



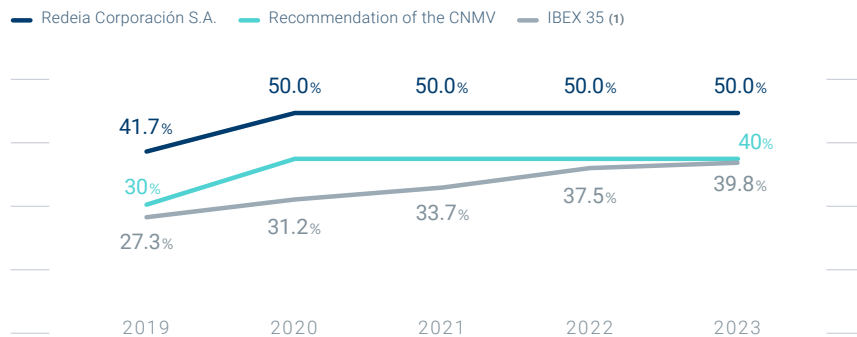
Redeia was the first IBEX 35 company to have the same number of men and women on its Board of directors, as well as being one of only five companies chaired by women in 2023.

Age (No. of Board directors)

The average age of Board members is 58.33

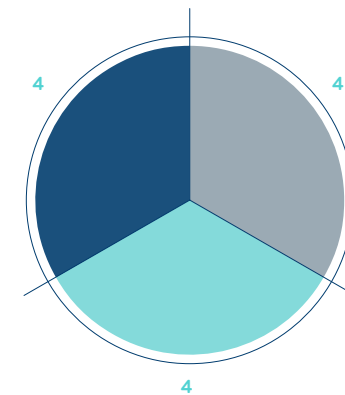


Women on the Board: Redeia Corporación, S.A. vs IBEX 35



Length of service (No. of Board directors)

The average length of service of Board members is 5.18 years



(1) Source of data: 11th Report on 'Women in the IBEX 35'. ATREVIA IESE, 6 March 2024.

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Balance of powers

The Company, in its Corporate Governance Policy, establishes the essential guideline to preserve the correct balance and proportionality in the powers of the Structure and composition of the Board of Directors through the adoption of the measures necessary for it to act with a common purpose and independent criteria, pursuing the interests of the Company and its shareholders as well as Redeia's sustainability.

Separation of the roles of Chair of the Board of Directors and the senior executive / 2-11

In response to the commitment acquired in the General Shareholders' Meeting held in April 2012 and the best international

practices in matters of Corporate governance, the Company's Board of Directors proposed to the Extraordinary General Shareholders' Meeting in July 2015, called specifically for this purpose, the separation of the roles of the chairperson of the Board of Directors and the Company's senior executive, with the corresponding appointment of the chief executive officer. Both proposals received a favourable vote from 99% of shareholders, with an attendance figure of 58%. The Board of Directors, in July 2015, appointed the new executive director as the CEO of the Company.

The separation of powers entailed a transitional period that ended in the General Shareholders Meeting of 2016, with full separation of functions between the role of chairperson of the Board of Directors and the chief executive officer. Since this Meeting, the Chairman of the Board of Directors is assigned only the responsibilities inherent to said position.



Since 2015, Redeia fully separates the functions between the position of non-executive Chairperson of the Board of Directors and that of the CEO, maintaining the corporate system of separation of powers with the appointment in 2020 of the Chairwoman of the Board of Directors and non-executive Chairwoman of the Company, Beatriz Corredor Sierra.



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The Board of Directors, at the meeting held on 25 February 2020, appointed Beatriz Corredor Sierra board member of Red Eléctrica Corporación, S.A. (Now Redeia Corporación, S.A.), in the category of "other externals", on the recommendation of the Appointments and Remuneration Committee, until the first General Shareholders' Meeting in 2020 was held, to cover the existing vacancy in the Board of Directors. The appointment was approved by the Company's General Shareholders' Meeting Held on 14 May 2020, with a percentage of votes in favour of 98.48%.

Also, in accordance with the provisions of article 21 of the Company Statutes and article 9 of the Regulations of the Board of Directors and after a favourable report by the Appointments and Remuneration Committee, the Board agreed at its session on 25 February 2020, to appoint Beatriz Corredor Sierra as chairwoman of the Board of Directors and non-executive Chairwoman of the company.

Consequently with the appointment of Beatriz Corredor Sierra as Chair of the Board of Directors and non-executive Chairwoman of the Company, an orderly and reasonable succession took place within the framework of the current corporate



The non-executive chairwoman handles strategic corporate functions such as sustainability, institutional relations, communications, compliance with internal audits and risk management, along with leadership and driving the Groups' process of technological and digital transformation.



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The creation of the Sustainability Committee in 2018 was voluntary and contributed significantly to the drive for sustainability across all areas of Redeia.

● ● ●

system of separation of powers, adapting the responsibilities of supervision and representation of the Company and the Group before institutions, led by the non-executive Chairwoman, who deals with strategic corporate functions, such as sustainability, institutional relations, communications, compliance, internal audits and risk management, among others, as well as leading and promoting the Group's process of technological and digital transformation and monitoring the principle of independence for the operation of the electricity system and the correct separation between regulated and non-regulated activities, by directing the control of Redeia's business, directly managed by the chief executive officer, a system based on an international model of good corporate governance.

Moreover, the figure of the lead independent director created in 2013 has remained, despite the fact that it is not mandatory for the Company and shareholders and proxy advisors recognise it as an efficient corporate governance

practice. The Board of Directors, meeting on 29 March 2022, at the request of the Appointments and Remunerations Committee, agreed to reappoint Carmen Gómez de Barreda Tous de Monsalve, lead independent director (CIC) of the Company, for the period of three years specified in the Board Regulations, in accordance with the Company Statutes and Regulations of the Board of Directors.

Board Committees / 2-9

The Company's Board of Directors has three permanent Committees, created by the Board of Directors to support its responsibilities from a technical perspective and to achieve greater efficiency and transparency.

It should be noted that article 23.2 of the Company Statutes and article 16.2 of the Board Regulations contain the functions of the Audit Committee with regard to impacts, risks and opportunities in relation to sustainability. In the case of the Appointments and Remuneration Committee, this is contained in article 18.5 e) of the Board Regulations. Finally, in the case



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of the Sustainability Committee, this is contained in article 18 TER d) of the Board Regulations. / **ESRS 2 GOV-1 p. 22 (b)**

Every year, the Company publishes the Activity reports of the Board Committees, containing the details of the main issues that they have dealt with over the preceding year, including the dealings of the Sustainability Committee. / **ESRS 2 GOV-2 p. 24**

Relations of the Board of Directors with the management team / 2-12 / 2-13

The policy of the Board of Directors is to delegate the day-to-day running of the Company Group in the executive organs to the

management team and focus its activity on the overall supervision and approval of the essential guidelines for action.

The separation of the roles of Chair of the Board and chief executive officer means that the Company has two clearly differentiated management bodies composed of directors: the **Chairperson's Advisory Committee**, headed by the Chairperson of the Board, and the **Executive Committee**, chaired by the CEO.

The structure and operation of both committees replicates within the organisation, the model of separation of duties and powers between the non-executive Chairperson and the Chief Executive Officer.

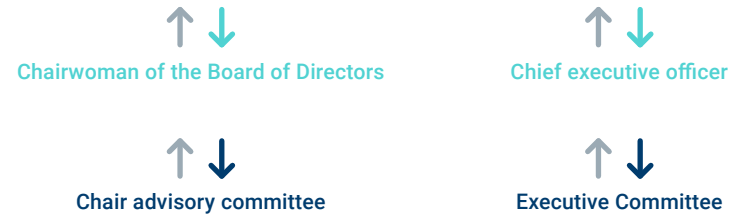
For its part, the Regulations of the Board enable the members to request that the Board hire, at the Company's expense, legal, accounting, financial and other expert services to assist them in the performance of their duties. Similarly, to better fulfil their duties and responsibilities, the Board's



The Company provides stakeholders with regular and timely access to relevant, sufficient and reliable information, both in relation to the Company's governance rules and practices, as well as the results achieved.



Board of Directors



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Committees may seek advice from independent professionals in the exercising of their responsibilities.

It should be noted that the Company set up the TSO Supervision Committee in 2019, presided by the chair of the Board of Directors, and modified the Board Regulations in order to strengthen the Board's role as supervisor and guarantor of the functional independence of the electricity system operator.

Dialogue between stakeholders and the senior governance body / 2-12 / 2-16

One of the principles held by Redeia's corporate governance policy and which serves as a reference for the Company's actions in its relations with stakeholders consists of consolidating, developing and encouraging symmetrical channels for dialogue and commitment with shareholders, investors and



The Company provides its shareholders with periodic and standardised information that communicates the corporate environmental, social and good governance objectives that are part of the Company's business interest.



key stakeholders, to guarantee transparency, active listening and equal treatment, to improve relationships, raise engagement and increase trust.

In accordance with this policy, the Company responds to the demands of institutional investors due to their strong presence among the Company's shareholders, as well as proxy

advisors and other stakeholders, with the aim of consolidating relations, increasing commitment and strengthening trust, notwithstanding the guarantees and equal treatment enjoyed by other shareholders

In this regard, the Company has a **policy regarding the criteria for reporting financial, non-financial and corporate information with**



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shareholders, institutional investors, proxy advisors and other stakeholders.

These criteria guarantee the proper exercise of the rights and interests of stakeholders and favour commitment to shareholders through open, transparent and continuous dialogue. The Board of Directors is the body in charge of reviewing the criteria and overseeing their compliance.

The Company provides its shareholders with systematic, standardised information that reflects the environmental, social and good governance objectives that are part of the Company's business interests. The Company never provides institutional investors with information that may result in a privileged or advantageous situation with respect to the other shareholders, but makes public information available in a rational, orderly way.

Since 2016, the Company has regularly organised informative meetings on corporate governance matters for its main proxy advisors with the participation of high-level Company directors and the active participation of the lead independent director.

Besides the direct communication channels previously indicated in the 'Transparency and Communication' section of this report, the highest governance body also has the following consultation mechanisms for consulting stakeholders:

- Whistle-blowing channel and Compliance with the Code of Conduct and Ethics.
- Social representation/ committees.
- Stakeholder satisfaction reports.
- DÍGAME Service.



Selection of Board directors - skills and competencies matrix / 2-10 / 2-17

The system used for the selection, appointment and re-election of members of the Board of Directors is expressly governed by the Corporate By-laws and the Regulations of the Board.

Similarly, the Corporate Governance Policy of Redeia includes the principle of ensuring the existence of appropriate procedures for the selection of board members to guarantee reasonable balance and internal diversity within the Board of Directors for the correct performance of its mission.

In November 2022, the Board of Directors approved a Diversity Policy for the Board of Directors and appointment of board members with the aim of consolidating Redeia's commitment to diversity in a broad sense, not just in terms of gender but also for experience, knowledge, age, nationality and seniority in the members' role and composition of the Board



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The Diversity policy of the Board of Directors includes the company's goal of having 50% of women on the Board of Directors.



of Directors and its committees and to ensure the existence of appropriate procedures for the selection of board members to ensure this reasonable balance and internal diversity within the Board of Directors in the performance of its mission. Similarly, the Appointments and Remuneration Committee has criteria to define the ideal profile for performing the role of board member, defining the qualities, competencies and experience that the ideal candidate must present to occupy the role of board member.

Since 2018, Redeia has had a competency **matrix for the Board of Directors**, personalised for each board member, to reflect the competencies, experience, knowledge, professionalism, suitability, impartiality, qualities and abilities established by the corporate governance policy for the members of the Board of Directors, enabling supervision of internal diversity in the composition of the Board of Directors for taking the most appropriate and informed decisions at each step. The CVs of the board members can be inspected on Redeia's corporate web page.

The matrix, aligned with the most advanced international practices and recommendations on matters of corporate governance, consists of three blocks (knowledge/



experience related to Redeia's strategic objectives, multi-sector knowledge/experience and diversity) that make up a total of twenty-six categories that reflect the experience and knowledge of the board members in aspects such as: the telecommunications energy sector and management of infrastructures, audit and financial

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accountancy, high-level business management, boards of directors of quoted and non-quoted companies, sustainability and climate change, risk management and compliance, digital and information technologies, integral security (physical security and cyber security), and gender, age and seniority as a board member, among others. This competency

matrix is continuously revised so that it remains current and perfectly aligned with Redeia's strategy.

The competency matrix, along with the availability on the **corporate web** [↪](#) page of the board members' CVs means that their relevant experience in the company's sectors, services and markets can be seen with specific information about their knowledge about sustainability. / **ESRS 2 GOV-1 p. 21 (c) / ESRS 2 GOV-1 p. 23 (a)**

Before issuing its report or formulating a proposal for the appointment of a board member, the Appointments and Remuneration Committee always analyses the diversity of profiles and contributions of the current members of the Board of Directors, taking the Board of Directors' Diversity policy as its base. When it considers it appropriate, among other proposals and suggestions, it may seek the opinion of external

international advisors specialised in director selection processes.

When assessing the candidates taking part in the selection process, the procedure considers, among other aspects, the competencies, training, experience, professionalism, suitability, gender, independent criteria, knowledge, qualities, capacity and availability of the members of the Board of Directors at all times, with the Appointments and Remuneration Committee playing a leading role in the process, with the option of hiring external consultancy services (head hunters) when considered appropriate.

The General Shareholders' Meeting is responsible for appointing and removing board members and ratifying appointments by co-opting, where appropriate.

Conflicts of interest 2-15

The board members must always inform the Board of Directors of any conflict, direct or indirect, that they, or close associates, may have with the interest of the Company.



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Any conflicts of interest that involve board members shall be disclosed in the report on the annual accounts.

With respect to directors, conflicts of interest are regulated within the Code of Conduct and Ethics and in the Guide for the Management of Conflicts of Interest, as set out in the “Ethics and Compliance” ↻ section in this report.

Assessment of the competencies and performance of the board 2-17 / 2-18

For many years, the Company has been conducting an **annual assessment of the functioning and performance of the Board of Directors**, the roles of Chair of the Board, the Senior executive of the company, as well as the

Committees of the Board, ensuring that it is done with the support of independent external advisors. The process carried out in 2023 had once again the collaboration of an external consultant and was made under the guidance of the Appointments and Remuneration Committee, coordinating with the lead independent director. A summary of its main conclusions is voluntarily published in the Annual Corporate Governance Report.

In terms of knowledge development, the Company has an Induction **Plan for new directors**, which includes the information and basic training that must be provided to the directors who have recently joined the company. It should be noted that this Plan provides information on sustainability matters, among other aspects, and was updated by the Board of Directors in 2022. There may also be internal information programmes on national and international trends in matters of corporate governance.

One highlight of 2023 was the continuing implementation of the **Action Plan for the Protocol for Involving the Board of Directors with employees** through the hosting of informal meetings with the Company's board members in various formats and dealing with different topics. The aim of these sessions is to bring the Board members and the work of both the Board of Directors and the different committees closer to the employees,



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The Company maintains a remuneration policy for the Board of Directors based on the principles of moderation, relation to their actual dedication and alignment between the long-term strategies and interests of the Company and its shareholders and other stakeholders.



since there is currently no figure in this body that specifically represents the employees, as this is not considered under the Spanish law (Companies Act) nor in the Code of Good Governance for Listed Companies. / **ESRS 2 GOV-1 p. 21 (b)**

One of the tools that has helped to make the Board and its committees more efficient has been the digitalization of the

meetings of the Board of Directors and Board committees and the board members' intranet, where the documentation on the sessions of the Board of Directors and its Committees and other Company information of interest is published.

Board remuneration 2-19 / 2-20

The Company maintains a remuneration policy for the Board of Directors based on the principles of moderation, relation to their actual dedication, alignment with the long-term strategies

and interests of the Company and its shareholders and other stakeholders, with a focus on incentives, but whose amounts do not condition the members' independence.

The Company carries out comparative analyses with other comparable companies and maintains permanent contact with its shareholders and proxy advisors.

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The annual remuneration of the Board of Directors, since 2007, and the Annual Report on Directors' Remuneration, since 2010, are voluntarily submitted for approval at the Ordinary General Shareholders' Meeting as separate and independent items on the agenda.



Since 2014, the Company has had a remuneration structure that replaces variable remuneration with fixed remuneration, thus eliminating the variable remuneration component of external directors. Only the remuneration of the chief

executive officer includes variable elements linked to short and long-term and aligned with the Company's key objectives.

In 2023, the proposed remuneration for the Board received the support of nearly all the General Shareholders' Meeting held on 6 June, with a percentage of negative votes of only 0.96%. Regarding proposals for the remuneration of the Board, the State-owned Industrial Holding Company (SEPI) has abstained from voting at the Ordinary General Shareholders' Meeting, which is the stance SEPI maintains in the listed companies in which it has a minority shareholding.

The remuneration policy for board members for 2023 was approved by the General Shareholders' Meeting held on 29 June 2021, for a period of three years (financial years 2022, 2023 and 2024). In accordance with the Companies Act, 2024 will see a revision of the remuneration policy for the board members 2022-2024 so that a new remuneration policy for the board members

can be submitted to the General Shareholders' Meeting in 2024.

The remuneration system for the Chief Executive Officer, as well as for the senior-level executives, includes fixed elements and variable components tied to short and long-term aspects aligned with Redeia's objectives and strategy. In particular, the variable annual remuneration of the CEO is based on compliance with a combination of predetermined and quantifiable business objectives, measured at group level, which have a 75% weighting in the total variable annual remuneration as well as compliance with the operational objectives of the management team linked to the businesses of Redeia, which have a 25% weighting in the total variable annual remuneration. The latter includes objectives tied to sustainability, which has a weighting of 15% and which

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is linked to making progress in the fulfilment of Redeia's Sustainability Plan and ensuring the Company's continued presence in the most relevant indexes in the field of sustainability. / **ESRS 2 GOV-3 p. 27 / ESRS 2 GOV-3 p. 29 (a) / ESRS 2 GOV-3 p. 29 (b) / ESRS 2 GOV-3 p. 29 (d)**

With regard to multi-year variable remuneration, the goals of the long-term incentive plan for the energy

transition, reduction of the digital divide and diversification are linked to the objectives set out in Redeia's Strategic plan 2021-2025 and adjusted to the guidelines set in the current remuneration policy for the board members. The Plan has a duration of six years and will end on 31 December 2025. The right to receive the incentive is conditional on the accomplishment of the objectives linked to the aforementioned Strategic Plan 2021-2025 (achievement representing 10% of the incentive) and permanence in the Company over the duration of the Plan. It should be noted that 75% of the objectives established by the Plan are related to Sustainability (ESG), being defined as "Making the Energy Transition in Spain a reality" (45%), "Driving Connectivity" (15%), "Compliance with the Sustainability Plan" (10%) and "People" (5%).

/ ESRS 2 GOV-3 p. 29 (c)

The Sustainability Committee supervises and informs the Board of Directors of the objectives associated with sustainability. For its part, in the framework of the global approval of the



The objectives for sustainability account for 15% of the weight of the managerial objectives included in the variable remuneration of the chief executive officer.



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Redeia applies sustainability criteria when calculating the variable remuneration of the chief executive officer and senior-level executives.

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objectives of the chief executive officer and management team, The Appointments and Remuneration Committee approves and reports to the Board on their compliance and definition. The Board of Directors oversees these aspects through the committee reports and approves the proposal for the Annual Report Remuneration of the board members submitted to the General Shareholders' Meeting. Finally, the General Shareholders' Meeting approves, with binding authority and as separate points on the agenda, both the remuneration proposal tied to compliance with the objectives of the preceding year and the proposed remuneration tied to the objectives of this year. / **ESRS 2 GOV-3 p. 29 (e)**

Similarly, the General Shareholders' Meeting held on 29 June 2021 approved the remuneration through the delivery of Company shares as provided for in the new Long-Term Incentive Plan regarding the energy transition, reduction of the digital divide and the promotion of diversification aimed at company executives

and members of the Company's management team and the companies belonging to Redeia who, due to their position or responsibility, are considered to contribute decisively to the creation of value and are included in the Plan during its term. All the detailed

information on the remuneration of the Board of Directors can be found in the Annual Report on Remuneration of Board Directors and in the Remuneration Policy for Board Directors, published in the **Corporate Governance** ↪ section of the corporate web page.

Principles of the remuneration policy

ESRS S1-1 p. 24 (a)

General principles

- Balance and moderation.
- Alignment with the practices demanded by shareholders and investors.
- Transparency.
- Voluntary submission of any decision related to director remuneration to the approval of the Annual General Shareholders' Meeting.
- Alignment with the Company and the Group strategy.
- Alignment with the remuneration set by comparable companies.
- Non-discrimination on the basis of gender, age, culture, religion and race.
- Based on the actual amount of time dedicated to the Board and its functions.
- Linked to the execution of their duties and responsibility as Board members.

Principle for remuneration of the chief executive officer

- Reasonable balance between the fixed (short-term) and variable (annual and long-term) remuneration, to reflect a fair assumption of risks combined with the achievement of the defined objectives, linked to the creation of sustainable value.

Principles for remuneration of the non-executive board members

- Non-inclusion of variable components in their remuneration in order to guarantee total independence.
- Incentivising in nature, but the amount should not condition their independence.

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Key indicators in 2023

100% of the Company directors receive training in the corruption and fraud prevention model.

None of Redeia's companies were investigated or found guilty of acts of non-compliance linked to the criminal risks, including the risk of corruption.

No claims for non-compliance related to the protection of personal data, and no Redeia company has been investigated nor sentenced for breaches related to privacy regulations.

Milestones 2023

Approval of the Guide for preventing corruption and fraud, zero tolerance and the application of specific training actions.

Approval of the Policy in the Ethics and Compliance Channel Management, whistleblower protection and update of the Ethical and Compliance Channel Management System Guideline.

Preparation of a protocol for investigating irregularities and breaches linked to the ethics and compliance management system.

Preparation of Reintel's fair competition compliance model.

Consolidation of the Compliance Forum, where those responsible for compliance for the different Redeia subsidiaries are present, as an instrument for coordination and reporting compliance.

Challenges for 2024

Prepare a compliance model for artificial intelligence.

Diagnose the code of Ethics and Compliance management system in accordance with the ISO 37002 standard.

Update the due diligence model for integrity and human rights for third-parties in accordance with the best practices.

Review and integrate the method of monitoring controls associated with different areas of compliance.

Prepare the Plan for communicating, awareness and training in integrity 2024.

3.2 Ethics and Compliance

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Ethics and compliance are fundamental pillars for Redeia's proper functioning in its business activities. The Company is committed to acting with the highest level of integrity in the fulfilment of the obligations and commitments it has accepted, as well as the relations and collaboration with its stakeholders.

The Group has a series of corporate rules of conduct that establish the values and standards of

behaviour that must be adhered to by all persons in the Group in the performance of their professional activities. No breaches in these rules of conduct were detected in 2023, so it has not been necessary to engage in actions to remedy these.

ESRS G1-4 p. 24 (b)

Code of Conducts and Ethics 2-23 / ESRS S3-1 p. 16

Redeia's Code of Conduct and Ethics ↗, was approved by the Board of Directors of Redeia's parent company in 2020, and modified in May 2023, to adapt it to Law 2/2023 of 20 February on the protection

of persons who report regulatory breaches and the fight against corruption.

The code responds to the demands and recommendations on ethical management established by the United Nations (UN) through the Sustainable Development Goals, the Ten Principles of the Global Pact, the Universal Declaration of Human Rights and the conventions arising from them; the Organization for Economic Co-operation and Development (OECD), the International Labour Organization (ILO) and Transparency International, among others.

Redeia's integrity model



Code of Conduct and Ethics

Management system for the Ethics and Compliance Channel



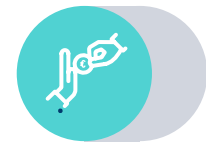
Compliance system

Due diligence model for integrity and Human rights of third parties



Supplier Code of Conduct

Criminal and anti-bribery compliance system



Guidelines for the prevention of corruption and fraud: Zero tolerance

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The Code of Ethics and Conduct states the Company's commitment to ethics, consolidating a model of responsible business that ensures the creation of shared value and aligning the organisation's interests with those of its stakeholders. / [ESRS S3 SBM-2 p. 7](#) / [ESRS G1-1 p. 7](#) / [ESRS G1-1 p. 9](#)



Redeia's Code of Conduct and Ethics contains the ethical values of respect, integrity and sustainability, offering a global framework for conduct for employees of the organisation. These values are structured in fifteen principles that take into account the criminal risks associated with the business of Redeia's companies. Each of these principles has a catalogue of behaviours which are compatible or contrary to the Code of Conducts and Ethics, to avoid the creation of situations that may lead to criminal acts. The principles and guides to conduct are arranged in three blocks, dealing with Redeia's relations with

its environment, employees and the organisation itself.

Redeia also has a code of conduct specifically for its suppliers which highlights the prevention of corruption, respect for human rights and compliance with the requirements for health and safety at work and the environment on the part of its suppliers when providing the goods or services required by the company, whether they are supplied directly or through other companies. **ESRS S2-1 p. 14 / ESRS S2-1 p. 16**

Detailed information about the Supplier Code of Conduct is provided

in the chapter on the [Supply Chain](#) ↪ in this report.

Code of Conduct for Business partners

In 2023, Redeia prepared a code of conduct aimed at business partners that the company intends to do business with. Redeia's Code of Conduct for Business Partners sets the criteria for conduct expected of its business partners, through basic principles of action, regardless of whether they are obliged to comply with other Redeia standards that may apply. The approval and implementation of the Code of Conduct for Business partners is expected in 2024.



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The Ethics and Compliance Channel offers Redeia's Stakeholders a system for informing about possible breaches of the Code of Conduct and Ethics and for raising queries about ethics and compliance.



Ethics and compliance channel 2-26

Redeia has an ethics and compliance channel which is available through an online platform for all Redeia companies, the corporate web page and Redeia's intranet, in a specific easily-

accessible section, for conveying queries, complaints or suggestions on this issue. / **ESRS S1-3 p. 32 (d)**

Ethics and compliance channel management system ESRS 2 BP-2 AR 2

In 2023, Redeia carried out a project to adapt its ethics and compliance channel to legal requirements and best practices (Law 2/2023 of 20 February, on the protection of persons who report legal infractions and on the fight against corruption, European Directive 2019/1937 on the protection of persons who report breaches of union law and ISO 37002 on whistleblowing management systems). This action led to the approval of the **Management System Policy for the Ethics and Compliance Policy channel and protection of whistleblowers** ↻, whose goal is to establish the principles and guarantees governing the management system for the Ethics and Compliance channel as a formal means of sending queries and reports of breaches and irregularities. There has also been an update of the guidelines for the **Management System Policy for the Ethics and Compliance**

Policy ↻ and the formal appointment of Redeia's controller of the ethics and compliance channel (Ethics manager and stakeholder ombudsman).

The Company has a **Retaliation Protection Protocol** with the objective of protecting whistleblowers who submit a report through Redeia's Ethics and Compliance Channel Management System from potential retaliation, including threats of retaliation and attempted retaliation. The protocol establishes a framework for protection that can effectively address situations of risk and protect persons who use the Ethics and Compliance channel management system in good faith. This protocol is included in the Guide of the Ethics and Compliance channel management system, which has been distributed to the company stakeholders through its internal and external webs. The Company regularly carries out surveys to evaluate the perception, awareness and use of the Ethics and compliance channel by the people who form part of Redeia. / **ESRS S1-3 p. 33 / ESRS G1-1 p. 10 (c) ii."**

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Redeia has also designed and implemented a **protocol for internal investigations associated with the Ethics and Compliance Channel**. Redeia carries out internal investigations in accordance with legal regulations and the commitments that the organisation has accepted in its Code of Ethics and Conduct, its Compliance Policy and the aforementioned management system policy for the Ethics and compliance channel and whistleblower protection, respecting the rights and freedoms of the employees and third parties involved. Different training workshops have been held for the groups that participate directly in these investigations to strengthen their knowledge and application of the protocol.

With this action, Redeia provides common criteria for action that apply to the various group companies in investigations associated with the ethics and compliance channel management system, as well as the steps to follow in the investigation and the nature of the inspections to be made, among other aspects.



The Ethics and Compliance Channel Management System is adapted to the European Directive for Whistleblower Protection and Law 2/2023, of 20 February, related to persons who report legal infractions and fight against corruption. The system is implemented through the Ethics and Compliance Channel Management System Policy, which includes whistleblower protection, the Ethics and Compliance Channel Management System Guide, and the Privacy Policy for the Ethics and Compliance Channel.



The ethics and compliance channel is managed by the Ethics manager with support from the Compliance department. The channel is audited regularly and guarantees users maximum confidentiality and

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anonymity, for the information submitted and the actions taken, through an IT tool that strengthens the necessary guarantees and enables better monitoring of the queries and reports submitted.

ESRS S2-3 p. 27 (d) / ESRS S3-3 p. 27 (d) / ESRS S3-3 AR 21 / ESRS G1-1 p. 10 (c) / ESRS G1-1 p. 10 (c) i.

In accordance with the regulations and best practices for application, the Ethics and Compliance channel management system allows anonymous messages to be sent. The policy for the Ethics and compliance channel management system and whistleblower protection guarantees the application of the following principles: confidentiality and anonymity; secrecy or discretion in the sending of messages; good faith; independence and impartiality for fair treatment of the persons affected; prohibition of reprisals against the persons that use the channel in good faith;

diligence and swift processing of the investigations; respect for fundamental personal rights; privacy; obedience to the law; transparency and access to the system.

To raise awareness of the ethics and compliance channel among Redeia's employees and to encourage a culture of communication as a fundamental aspect of the Company's integrity, a training pill was created and is available on Redeia's virtual campus.

Queries and reports submitted in 2023

ESRS S1-17 p. 100 / ESRS G1-4 p. 22

In 2023, 19 queries were filed with a maximum resolution time of 10 days, in accordance with the standards of the management system of the Ethics and compliance channel. As regards compliance with the Code of Conduct and Ethics, there were three reports received this year, one of which concerned an alleged case of harassment and two of which were related to other matters. None of the



claims were related to criminal risks for the organisation. More precise information about these reports can be seen in the annual executive report on the management of the Code of Conduct and Ethics 2023 which is published in the appendix to this report. / **406-1 / ESRS S1-17 p. 103 (a) / ESRS S1-17 p. 103 (b)**

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Ethics manager and stakeholder ombudsman

To ensure knowledge, application and compliance with the Code of Conduct and Ethics, the Company appointed Carlos Méndez-Trelles García, General Counsel and Secretary of the Board of Directors, as Ethics Manager and Stakeholder Ombudsman.

The main responsibilities of the Ethics manager, supported by the Compliance department, are as follows:

- Resolve enquiries in relation to the Code of Conduct and Ethics.
- Prepare resolution reports in response to the claims submitted.
- Prepare a regular report to review the ethics management system and to propose improvements to it.

Compliance system

ESRS G1-1 p. 7

Redeia's corporate compliance system is the model for preventing, supervising and controlling the company's compliance risks, aligned



Redeia's corporate compliance system is the model for the risk prevention, supervision and control, aligned with its culture of ethics and compliance.



with the culture of ethics and compliance established by the Code of Conduct and Ethics and Redeia's Compliance Policy, and the other compliance regulations that apply, as well as the best practices in this area.

The system's goal is to ensure that the obligations established and the commitments acquired are respected, founded on a proactive culture of managing compliance risks.

Redeia has taken the applicable law into account when preparing its compliance system, along with the main international norms and standards with regard to compliance.

Compliance Policy

ESRS G1-3 p. 18 (b)

Redeia has a Compliance Policy that was approved by the Board of Directors in 2023, which establishes the principles that govern the organisation with regards to

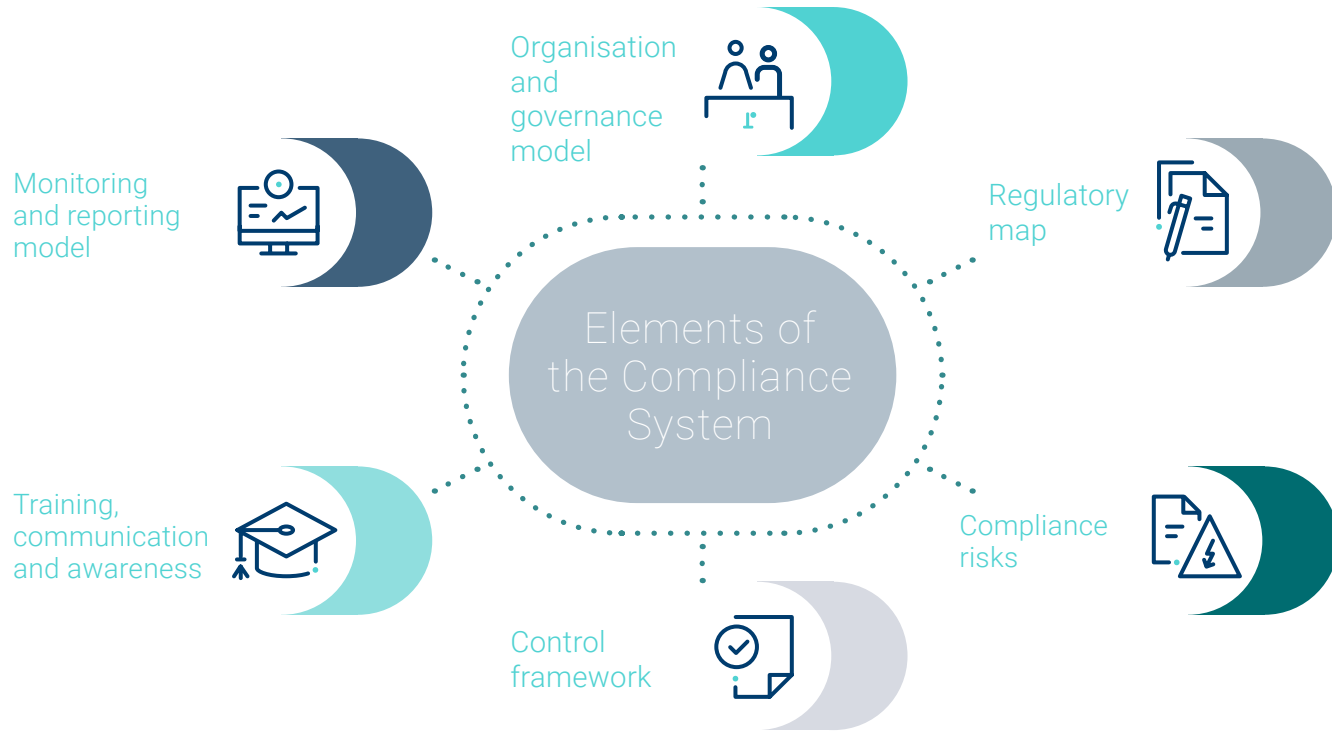
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preventing, detecting and responding to any conduct that may constitute an act incompatible with the legal obligations and commitments voluntarily undertaken by the Company.

This policy contains the express commitment of Redeia 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, all in agreement with the values, principles and guidelines of conduct established in Redeia's Code of Conduct and Ethics.

In accordance with the provisions of the UNE 19601 on crime prevention and ISO 37001 on anti-bribery management systems, respectively, all staff of the organisation who are particularly vulnerable (management team), in addition to the Company's governing body, shall submit a statement at intervals that are deemed reasonable confirming their commitment to complying with the Anti-bribery and Crime Prevention Policy that is incorporated in Redeia's Compliance Policy.

ESRS 2 BP-2 AR 2 / ESRS G1-4 p. 22



Objectives of the Compliance System

- Ensure that all Company employees are aware of and comply with the external and internal obligations set out in the regulations and voluntary commitments and provide due control for their compliance.
- Define and develop a compliance risk map for each defined regulatory area.
- Systematically identify, analyse and assess, using uniform criteria the key controls that mitigate compliance risks.
- Inform Redeia's control bodies of the status and evolution of compliance in each of the defined regulatory areas.
- Promote a corporate culture based on ethics and compliance.

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The Company has a Compliance area as part of the Internal Audit and Risk Control Department, which is responsible for the design, development, implementation and monitoring of the organisation's global compliance system, with the objectives of promoting a global and proactive vision of compliance risks, and ensuring efficient control of such risks, guaranteeing the coordination and homogeneity of their management in the corporate sphere, improving internal control in Redeia.

Development of a compliance culture / ESRS G1-1 p. 7

Redeia promotes adequate awareness and disclosure actions to the entire organisation regarding the relevance and strategic nature of the Compliance System within the corporate integrity culture of Redeia's organisation.

During 2023, the Annual Plan on compliance culture was carried out through the different internal and external communications actions, among which are the design and dissemination of training pills on key aspects of Redeia's Compliance System, the development of Redeia's Ethics and compliance Channel, and the conflicts of interest management model. Through this training, aimed at all employees, including those with duties exposed to the risk of corruption, Redeia provides the Company's employees with tools to resolve possible risk situations, to perform their duties and responsibilities, as well as the means available to report any issues related to ethics and compliance.

ESRS G1-1 p. 10 (g) / ESRS G1-3 p. 21 (a) / ESRS G1-3 p. 21 (b)

In 2023, the Company set a leadership goal aimed at all members of the organisation linked to the dissemination of the corruption and fraud prevention model, followed by 100% of the Company's divisions.

Leadership goals are a tool to contribute to developing the

management skills Redeia needs to successfully face strategic challenges in the short, medium and long term. They are a key mechanism for involving Redeia's entire executive team in essential actions and critical changes to carry out the transformation through the leadership style.



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The achievement of leadership objectives is linked to the variable remuneration model applicable to the Company's management team.

Through the leadership goals, the Company seeks to identify the goals over which executives have direct influence and that are relevant

according to the leadership needs at each time, such as the corruption and fraud prevention model.

Moreover, Redeia has developed training in its Internal investigation Protocol aimed at groups directly linked to managing complaints processed through the Ethics and compliance channel.

Additionally, Redeia has carried out specific training sessions for

groups particularly exposed to several themed areas, such as:

- Redeia's corruption and fraud prevention model: zero tolerance. Session taught in June to Redeia's management team as part of the leadership goal 2023.
- Reintel's compliance model for competition defence. Four training sessions held on Reintel's compliance model for competition defence and general competition law matters for Redeia's members (Legal Services, Compliance, Business Development and Corporate Governance), Reintel's management team and members involved in the System.
- Internal investigations protocol on the Ethics and compliance channel management system. Session taught to Redeia's compliance, legal services, internal audit and labour relations managers.



Redeia continually fosters a culture based on ethics and compliance as a key factor of due diligence in the management of compliance risks.

ESRS G1-1 p. 7 / ESRS G1-1 p. 9



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- Ethics and compliance in the scope of Artificial Intelligence. Session taught to Redeia's Compliance managers in Spain following the agreement adopted by the European Union in this regard.

In 2023, Redeia has also consolidated the Compliance Forum, attended by the compliance managers from Redeia's subsidiaries, as a tool to strengthen coordination and reporting of the different scopes of compliance in the organisation. Four sessions of this Compliance Forum were held in 2023.

In 2023, the company carried out internal communications actions on an ongoing basis, including the publication of informative pieces and the following actions to raise awareness:

- Approval of the Corruption and fraud prevention guide: zero tolerance.
- Adaptation of the Ethics and Compliance channel to the Whistleblowing Law.
- Commitments on the acceptance of gifts received during the Christmas period.

Alliances and recognitions ESRS G1-1 p. 7

As part of Redeia's commitment to ethics and compliance, its participation as a premium member of Transparency International Spain's Integrity Forum (Foro de Integridad) must be highlighted. In addition, the Company is a member of the Spanish Compliance Association (ASCOM).

Within the field of external recognitions, in 2023 it should be noted that:

- Redeia was a runner up in Expansion's Compliance Awards in the following categories: "IBEX company with the best compliance practices" and "Best ethics initiative in terms of compliance".



- 85 points out of 100 in the code of conduct criteria in S&P's assessment for the Dow Jones Sustainability Index 2023. .
- Leader in 2023 in the corruption prevention criteria according to Moody's, attaining the maximum score in its sector (89 out of 100 points).
- "A" rating in the category of "Business ethics" and "A+" rating in the category of "Code of ethics and conduct" in the ISS-ESG sustainability index.
- Inclusion among the best four companies in the IBEX 35's global ranking on transparency and good governance, prepared by the Haz Foundation.



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Redeia was runner up in Expansion's Compliance Awards in the "IBEX company with the best compliance practices" and "Best ethics initiative in terms of compliance" categories and is a leader in the criteria regarding prevention of corruption in Moody's ESG performance report, attaining the maximum score in its sector.



Regulatory fields

Cross-departmental

- Integrity and ethics management
- Corruption and fraud prevention
- Criminal
- Management of conflicts of interest
- Due diligence on counterparty's integrity and human rights

Specific

- Personal data and information protection
- Corporate Governance
- Financial and non-financial information
- Labour
- Industrial and intellectual property
- Tax
- Occupational Health & Safety
- Comprehensive Security
- Transparency in markets and defence of competition
- Environment
- Artificial Intelligence

Due diligence on Counterparties' integrity and human rights

Redeia provides its employees with the necessary tools to ensure that the Company's relations with third parties are governed by integrity and transparency, which are key to maintaining the trust and reputation of Redeia's companies among its stakeholders.

The Company's Compliance policy includes the establishment of due diligence measures among its

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principles required for adequate selection and monitoring in terms of ethics and compliance of business partners or third parties, defined as stakeholders with which the Company has or intends to have any kind of relationship. The Sustainability policy contains the express commitment to observing and promoting internationally recognised human rights within the scope of influence of Redeia's companies, acting with due diligence, managing the impact of its activity or the activities of those with whom Redeia is involved and establishing appropriate repair mechanisms, in accordance with Redeia's commitment to promoting and observing human rights. / **ESRS S2-1 AR 13 / ESRS S3-1 P- 16 (c)**"

The third parties due diligence model seeks to promote the highest ethical and compliance standards, the respect for legislation and regulations in force in the field of integrity, as well as promoting a culture of compliance based on the principle of zero tolerance for unlawful acts, especially those related to the field of integrity (corruption, bribery, money laundering, financing of terrorism or others of a similar nature).

In 2022, Redeia adopted guidelines for action to provide the necessary criteria and measures to endow the Company with an appropriate mechanism for selecting and monitoring counterparty's integrity and human rights, defining third-



The Global Counterparty Integrity and Human Rights Due Diligence System enables the Company to assess the risks to which it is exposed in order to mitigate them by implementing suitable control measures.



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parties as those stakeholders with whom the Company maintains or intends to maintain any relationship.

The guidelines incorporate human rights requirements as a result of the proposal of a Directive of the European Parliament and of the Council on corporate sustainability due diligence.

Furthermore, Redeia has an instrument to support the due diligence model on integrity and human rights counterparties with the platform RiskCenter Screening & Monitoring, from Dow Jones, whereby queries on entities or persons, lack of compliance, illegal actions or sanctions that may have an impact in terms of integrity and/or human rights may be submitted.

THERE HAVE BEEN 387 processes

on due diligence on integrity and human rights, adopting the measures required in each case to mitigate getting involved with counterparties acting against Redeia's ethical values related to actions contrary to its ethical values



Throughout 2023, a total of 387 due diligence processes regarding integrity and human rights have been carried out, with the necessary measures being adopted in each case to mitigate the risk of Redeia being associated with third parties engaged in conduct contrary to its ethical values.

Anti-Bribery and Crime Prevention Compliance System

The purpose of Redeia's Anti-bribery and Crime Prevention Compliance System is to identify the rules, procedures, and tools established in the Company to avoid non-compliance with legal regulations of criminal relevance applicable to the Company and its personnel. It thus incorporates the proper control exercised by the Company in terms of managing and preventing criminal risks that could affect it, in accordance with its activity and business sector.

The Anti-Bribery and Crime Prevention Compliance System is based on an analysis of the criminal compliance and anti-bribery risks that could hypothetically arise within the organisation. It includes the procedures and existing controls for effective prevention and mitigation of such risks, taking into account the location, activity, sector, and structure of the transaction.

ESRS G1 IRO-1 p. 6

The design of key controls Identified and their suitability for mitigating the associated Anti-

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Bribery and Crime Prevention compliance risks are subject to periodic evaluation by external entities. Additionally, the efficacy and effectiveness of these controls are assessed through substantive and process testing.

Redeia's Anti-Bribery and Crime Prevention Compliance System in Spain complies with the provisions of Article 31 bis of the Spanish Criminal Code and the Circular of the Spanish Public Prosecutor's Office 1/2016 on the criminal liability of legal entities, as well as the UNE 19601 and ISO

37001 standards on Anti-Bribery and Crime Prevention Compliance Management Systems, respectively.

The Anti-Bribery and Crime Prevention Compliance System of Redeia's parent company, Redeia Corporación, and its subsidiary Red Eléctrica, are certified in accordance with the UNE 19601 and ISO 37001 standards. The certification process has been conducted by AENOR, which has certified Redeia Corporación and Red Eléctrica's Anti-Bribery and Crime Prevention Compliance System in accordance

with the referred standards. In 2023, the company has successfully passed the follow-up audit carried out by this entity, confirming the compliance and effectiveness of the System. / **ESRS 2 BP-2 AR 2**

Anti-Bribery and Crime Prevention Compliance Committee

ESRS G1-3 p. 18 (b)

The Board of Directors, as the highest governing body responsible for Redeia's risk management, in accordance with the applicable regulations and, in particular, with the provisions of article 31 bis of the Criminal Code, has appointed the Anti-Bribery and Crime Prevention Compliance Committee as the specific control body of the Company's Anti-Bribery and Crime Prevention Compliance System.

The Anti-Bribery and Crime Prevention Compliance Committee is both self-governing and independent, and reports to the Board of Directors, through the Audit Committee, on the activities it carries out, as well as on the adequacy and effectiveness of the system, detailing these in the annual compliance report, and outlining the planned activities for the

Anti-Bribery and Crime Prevention Compliance Committee

Members

- Ethics Manager and Stakeholder Ombudsman.
- Internal Audit and Risk Control Director.
- Regulation and Legal Services Director.
- People and Culture Director.
- Head of the Risk Control, Compliance and Quality area.

Key functions

- Supervise the effectiveness of the Anti-Bribery and Crime Prevention Compliance System.
- Promote a culture of ethics and compliance.
- Investigate grievances that fall within the scope of the Anti-Bribery and Crime Prevention Compliance System.
- Prepare an annual report on the follow-up and effectiveness of the Anti-Bribery and Crime Prevention Compliance System, to be submitted to the Board of Directors.

Receives reports from

- Internal Audit and Risk Control Director.
- Regulation and Legal Services Director.
- People and Culture Director.
- Compliance managers in Redeia's subsidiaries.
- In addition, the Ethics Manager reports on the grievances submitted with possible criminal implications, maintaining the confidentiality of all information received at all times.

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following year in order to obtain their validation. This report includes the suitability assessment of the criminal compliance risks and controls, as well as the assessment, monitoring and improvement of said controls. This report, which is published externally, also includes details on the allocation of the resources necessary for the proper functioning of the Anti-Bribery and Crime Prevention Compliance System.

ESRS G1-3 p. 18 (c)

In 2023, none of Redeia's companies was investigated or convicted of infringements related to the organisation's criminal risks. / **ESRS G1-4 p. 24 (a) / ESRS S1-17 p. 100** The Anti-Bribery and Crime Prevention Compliance Committee has been informed of the matters within its remit, has had free access to the documentation necessary to carry out its work and has had the cooperation of the various management areas of the Company to perform its functions. / **ESRS G1-4 p. 25 (b) / ESRS G1-4 p. 25 (c) / ESRS G1-4 p. 25 (d)**"

Monitoring of the Anti-Bribery and Crime Prevention Compliance System

The Anti-Bribery and Crime Prevention Compliance System Monitoring Plan encompasses the activities aimed at overseeing the correct functioning of the same and ensuring that information regarding the levels of crime prevention and anti-bribery compliance risk faced by the organisation is kept up to date, so that those responsible for making decisions on the System do so in an informed manner. The Plan includes verification activities, monitoring and follow-up of the System, the results of which are set out in an indicator dashboard for appropriate monitoring.

One of the control objectives included in the Monitoring Plan is the oversight of the design and implementation of the **Crime Prevention and Anti-Bribery Compliance Map**, through the identification and assessment of the risks and control activities that mitigate these risks.

ESRS G1-3 AR 5

The units responsible for specific control activities carry out an individual assessment of said control activities on an annual basis from the perspective of the design and efficiency with regards to the risk they mitigate, and the compliance area compiles the conformity thereon from the managers of control activities.

Redeia has document evidence of control activities, which certifies the specific performance of each of the control activities throughout the process where the criminal compliance risk has been identified.

Improvement of the compliance mapping with the specific criminal risks of subsidiaries

The evolution of Red Eléctrica Infraestructuras en Canarias S.A.U. and Elewit's activities in the last years has made it necessary to review in 2023 criminal risks and specific controls in these companies to include them in Redeia's compliance risk map. It should be noted that it lists Redeia's activities and functions with the highest corruption risk. / **ESRS G1-1 p. 10 (h)**



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Additionally, the Company has developed a gap analysis in the management of industrial and intellectual property compliance at Elewit, and proposes a management compliance system of these fields which correctly and adequately addresses the management of these risks and can be extended to the other group subsidiary companies

Moreover, during 2024, Elewit and Red Eléctrica's Canary Islands' Infrastructure personnel will receive specific training on the defined Anti-Bribery and Crime Prevention Compliance management system, as well as on the specific risks associated with their respective areas of responsibility.



The “Guidelines for the Prevention of Corruption and Fraud: Zero Tolerance” develops corporate values and compiles basic guidelines for the prevention of corruption and bribery risks.



Corruption and fraud prevention and management of conflicts of interest

205-1 / 205-2 / 205-3 / ESRS G1-1 p. 10 (a) / ESRS G1-3 AR 5

The Code of Ethics and of Conduct and the Ethics and Compliance Channel Management System constitute an efficient mechanism for detecting and handling possible cases of corruption, fraud and conflict of interest.

Corruption and fraud prevention

Redeia has **Guidelines for the Prevention of Corruption and Fraud: Zero Tolerance** ↗, whose

current version was approved by the Board of Directors in 2023. It develops corporate values and compiles a set of basic guidelines for preventing corruption and fraud risks.

Everyone who is part of Redeia is obliged to know and undertake the content in this guide and review the way they act based on the principles, commitments and controls it sets. In particular, the exemplariness, the support and the express commitment of the directors and the management team are a key element in their implementation.



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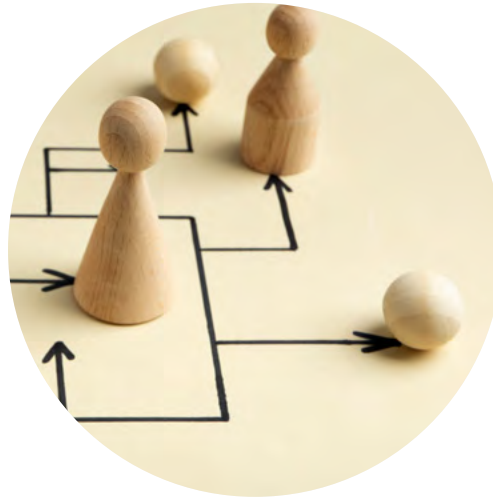
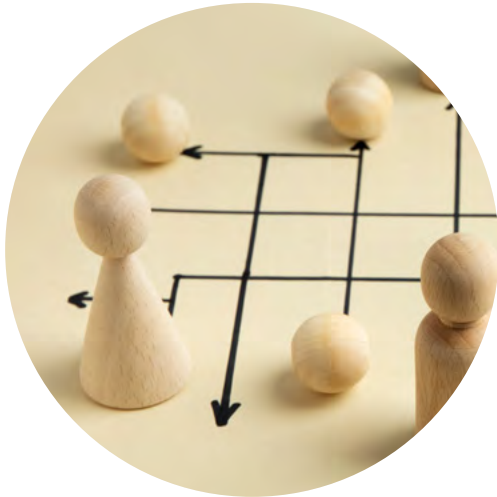
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In 2023, in accordance with said guidelines, which prohibit contributions to political parties or organisations, no donations, subsidies, or loans have been made to political parties on behalf of Redeia. Similarly, no complaints have been registered, and no Redeia company has been investigated or convicted by any court of law related to corruption or fraud cases. Finally, the commitments and conduct guidelines set out in Redeia's Code of Conduct and Ethics, within its principle related to transparency in the management of interests, are expressly applied in the case

Redeia carries out any activity that may be directly or indirectly linked to the representation of interests commonly known as lobbying.

ESRS G1-4 p. 22 / ESRS G1-4 p. 25 (a) / ESRS G1-5 p. 27

In 2023, the "Guidelines for the Prevention of Corruption: Zero Tolerance" was revised and updated, expanding its scope to include (internal) fraud. The revision process involved the participation of Transparency International and has taken into account best practices, as well as international standards in the field (ISO 37001). **/ ESRS 2 BP-2 AR 2**

The guide includes seven specific conduct guidelines to prevent corruption and fraud, as outlined in the Code of Conduct and Ethics.

The guidelines articulate Redeia's commitment, the guidelines for action, and the prevention and detection mechanisms available to the Company. Moreover, the Guide provides a series of practical scenarios that help to better disseminate the situations related to the application of each conduct guideline. **/ ESRS G1-3 p. 16**

In 2023, in accordance with the above, Redeia has established a leadership goal aimed at all members of the organisation linked to the dissemination of the corruption and fraud prevention model, 100% followed by the Company divisions.

Code of Conduct and Ethics

Ethics and compliance channel

Guidelines for the Prevention of Corruption: Zero Tolerance.

Guidelines for the Management of Conflicts of Interest.



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Redeia's Data Protection Compliance System ensures good governance of personal data pursuant to the applicable legislation.



In 2023 no complaints regarding potential cases of corruption or money laundering by any of Redeia's companies have been recorded, and none of these companies have been investigated or convicted by any court of law for non-compliance related to these cases of corruption and money laundering.

Management of conflicts of interest

Since 2018 Redeia has Guidelines for the Management of Conflicts of Interest in order to fulfil the commitments undertaken in the Code of Conduct and Ethics in this field to detect and prevent potential

conflicts of interest that may affect people specially exposed to these conflicts.

The Company also has a Consultative Body on conflicts of interest that is responsible for the implementation and proper application of the procedure for the identification, management and resolution of conflicts of interest established in the Guidelines. In 2023, 5 queries regarding conflict of interest were processed. Following the analysis of the reports received, the adoption of specific prevention measures for the 4 cases submitted has been recommended.

In 2023, according to the above, the design and dissemination of a training pill on Redeia's Management of Conflicts Model, available to all members of the organisation, was carried out.

Data protection

Redeia has a Data Protection Compliance System, with the aim of promoting and maintaining a responsible and proactive attitude in the protection of personal data,

guaranteeing the good governance of such data and preserving the trust of the Company's stakeholders.

The Company establishes eight basic privacy principles aligned with the values and guidelines set in Redeia's Code of Conduct and Ethics, as well as the principles included in its Compliance Policy.

Basic personal data protection principles at Redeia

- Principle of legality, loyalty and transparency
- Principle of purpose limitation
- Principle of proportionality and data minimisation
- Principle of quality, accuracy and updating
- Principle of limitation for data conservation
- Principle of integrity and confidentiality
- Principle of proactive responsibility
- Principle of ensuring protection in international transfers

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Privacy culture

Through its **annual Data protection compliance system activities**, Redeia promotes adequate **training and awareness** among its professionals on the relevance of the data protection compliance system within the organisation's culture of integrity. People at Redeia are trained on privacy matters through an e-learning course in this field. More than 70% of the people employed by the companies of Redeia in which the data protection compliance system

has been deployed have received training in this area. Additionally, this course is part of the training material for new employees joining the Company.

Similarly, Redeia periodically carries out training workshops on personal data protection aimed at groups directly related to this field in the ordinary running of their duties, as well as the group of interlocutors that the Company has designated in this field in all divisions where the data protection compliance system is deployed.

In 2023 the **Data Protection Officer** did not receive any complaints regarding breaches and none of Redeia's companies were investigated or convicted for breaches of privacy regulations.

In addition, Redeia has not used any of the personal data from customers managed through the Customer Services Portal for purposes secondary to the actions required for providing company services.

Similarly, 17 requests to exercise rights related to the protection of



In the S&P assessment for the Dow Jones Sustainability Index, Redeia has attained the maximum score in the area of privacy protection, achieving 100 out of 100 points.



Data protection governance model

Manager	Function
Data Protection Officer (DPO)	Ensure compliance with current data protection legislation and liaise with the data protection advisory body in this area.
Data Protection Advisory Body	Support the proper functioning of the Data Protection Compliance System and propose improvements to the System within a legal, technical and organisational scope. The areas of Compliance, Legal Services, Comprehensive Corporate Security, Information Technology and People & Culture are part of this Advisory body, in addition to the role of the DPO itself.
Interlocutor network	Deploy the data protection culture within the Company, connecting the management areas with the fulfilment of the regulatory requirements in this field.

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personal data were received. These were responded to appropriately and within the given time frame.

Additionally, the necessary technical measures were implemented to provide an effective response to such requests, in accordance with Redeia's General Data Protection Rights response protocol and the applicable privacy regulations.

Lastly, it should be noted that in 2023, the Company's Data Protection Advisory Body received 73 enquiries, 97% of which have been closed. The Advisory Body regularly monitors these enquiries to ensure their correct resolution.

Human rights management model
2-23 / 2-25 / ESRS S1-1 p. 21

Since 2017, Redeia has followed a human rights management model in accordance with the United

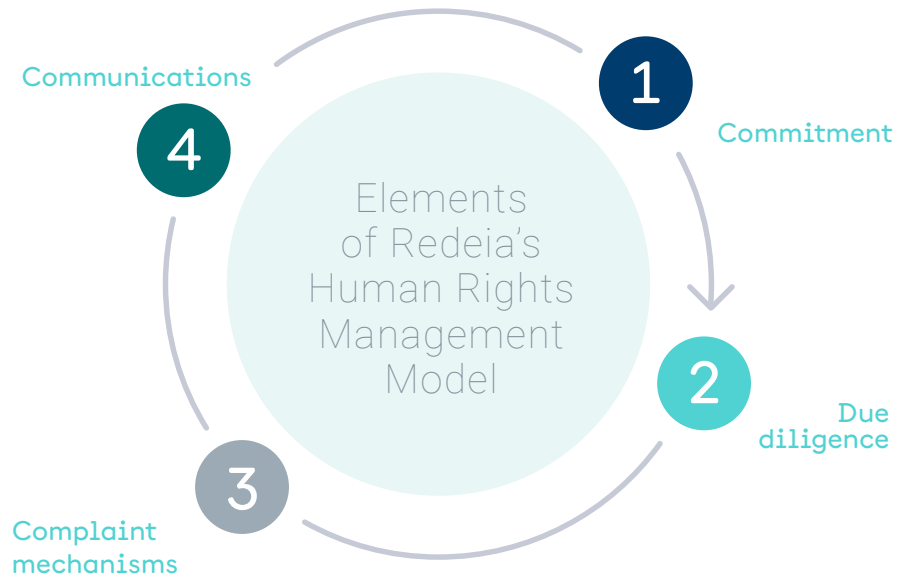


Key elements in personal data protection

- **Privacy policy.**
- **Specific risk analysis methodology.** This includes corresponding security measures and controls.
- **Security incident management protocol.** This includes the methodology for identification, assessment, classification, and response.
- **ARCOPL rights service protocol.** Rights of access, rectification, erasure (deletion), opposition, data portability, and restriction of processing.
- **Protocol for hiring agents responsible for personal data processing.**
- **Internal privacy by design and by default standard.** Aimed at risk management principles and proactive responsibility.
- **An internal rule establishing the criteria regarding personal data retention.**
- **Protocol for the use of geolocation devices in the professional field.**
- **Monitoring Plan for the control framework of the organisational and legal measures for the data protection compliance system.** It will be completed on a three-year cycle.
- **Biennial audits.** To review Redeia's level of adequacy in terms of data protection and compliance with the applicable legislation, carried out in collaboration with external auditing firms specialised in this field.

Nations (UN) Guiding Principles on Business and Human Rights. This model covers all business activities, companies, and geographical areas in which the Company operates.

The Model structures and systematises the necessary actions to protect and respect human rights, as well as to remediate, in this field, any risk that may be originated by the Company or by a third party with which the Company has a relationship of any nature.



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Redeia adopts a continuous improvement approach to human rights management by evaluating its performance at least once a year and updating its policies and commitments as new human rights principles arise.

Commitment to human rights

407-1 / 408-1 / 409-1 / ESR S1-1 p. 20 (a) / ESR S1-1 p. 20 (b) / ESR S2-1 p. 14 / ESR S2-1 p. 16 / ESR S2-1 p. 17 / ESR S2-1 p. 17 (a) / ESR S2-1 p. 17 (c) / ESR S2-1 p. 18 / ESR S3 SBM-2 p. 7 / ESR S3-1 p. 15 / ESR S3-1 p. 16 / ESR S3-1 p. 16 (a)

Respect for human rights is one of the ten principles underpinning Redeia's 2030 Commitment to Sustainability.

The Company publicly and unequivocally commits to respecting human rights in all activities, across all territories in which it operates, with special attention to the freedoms and rights of vulnerable groups, such as Indigenous populations, women, children, people with disabilities, ethnic minorities, LGBTI population and migrant workers, among others. Additionally, the Company extends this commitment to third parties with which it maintains relations.

This commitment was strengthened in 2022 by formally incorporating the 10 Principles of Human Rights, as detailed in the Company's **Commitment to promoting and upholding human**



Redeia's Commitment to promote and observe human rights integrates traditional and emerging human rights and is reinforced by the adherence to the 10 United Nations Global Compact Principles.



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The commitment to human rights strengthens the principles set out in the Code of Conduct and of Ethics and the Sustainability Policy of Redeia.

● ● ●

rights, which strengthens the corporate values and the principles and conduct guidelines set out in Redeia's Code of Conduct and Ethics and in its Sustainability Policy.

This commitment takes into account the internationally recognised principles contained in the Universal Declaration on Human Rights and the binding provisions of the Declaration, the International Covenant on Economic, Social and Cultural Rights and the regulations of the International Labour Organisation (Convention no. 29 on forced labour, no. 138 on minimum age, no. 87 on freedom of association and protection of the right to organise, no. 98 on the right to organise and collective bargaining, no. 100 on equal remuneration, and no. 169 on indigenous and tribal peoples). It has also been deemed necessary to incorporate new rights to address new human needs through the so-called emerging human rights (e.g., the right to a healthy environment or the right to decent work). / **ESRS S3-1 p. 17**

The ten commitment principles are reviewed on an annual basis to consider any potential new standards

that may arise, expansions to other sectors or geographies, and complaint mechanisms that Redeia makes available to its stakeholders.

This commitment to the promotion and respect for human rights from Redeia is incumbent on all employees and members of the boards of directors of the companies that are part of Redeia in the execution of their duties and responsibilities and also applies to those companies in which the Group has a majority shareholding, regardless of their geographic location and business activity. In those companies where Redeia is not a majority shareholder or has no overall control over the board of directors, Redeia will suggest that said commitments be adapted accordingly.

Similarly, to extend the principles of sustainability throughout the supply chain, the Supplier Code of Conduct of Redeia establishes the duty of this stakeholder group to respect human rights. By accepting the general contract conditions, all the Company's suppliers commit to comply with the Code of Conduct,



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which can be verified by carrying out social audits. More information on this in the chapter **Supply chain** → in this report. / **ESRS G1-2 p. 15 (b)**

Human rights due diligence process

411-1 / 412-1 / 412-3

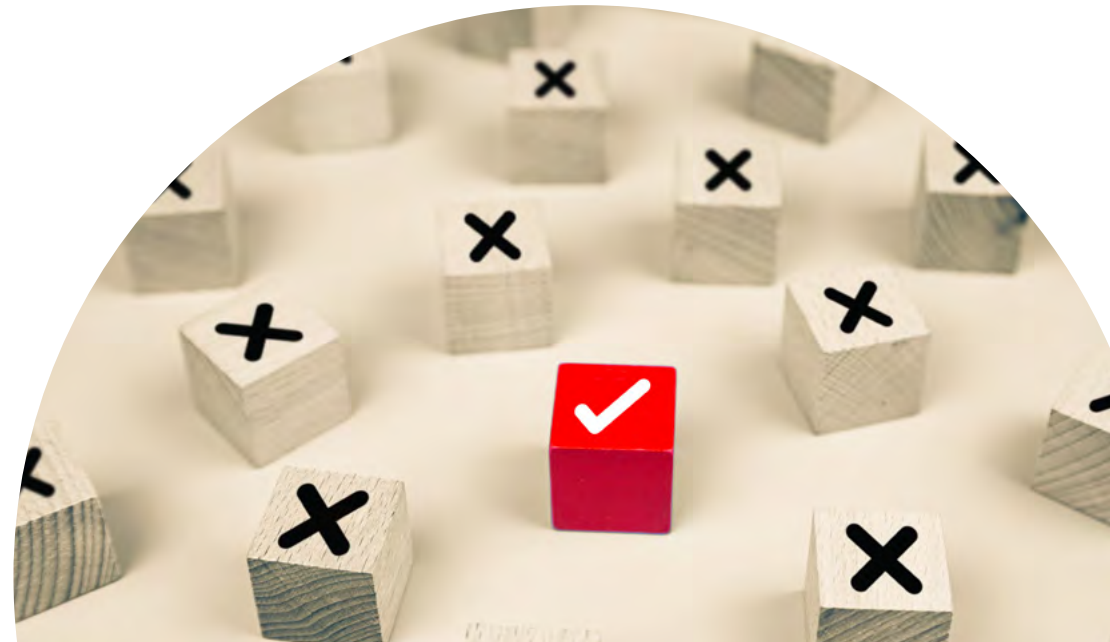
Redeia has conducted regular due diligence analyses since 2013, covering all group companies (including controlled companies) to identify potential risks or human rights violations arising from their direct and indirect activity.

During 2022, Redeia updated its due diligence procedures in its activities and relationships with third parties to align them with national and international legislation, the latest trends, emerging rights, and new holders of such rights that may be affected. To ensure ongoing improvement in this regard, Redeia annually reviews the internal rules that govern this procedure.

This work has concluded that, for the activities carried out (operation of the Spanish electricity system, management of electricity grids and telecommunications networks), as well as the geographical area where the company and its subsidiaries ARGO and TEN are located (Spain, Peru, Chile, Brazil, Argentina and Mexico), the most significant human rights risks are associated with forced and child labour, human trafficking, freedom of association and collective bargaining, equal pay, discrimination, health and safety, decent work, privacy and data protection, identity of indigenous peoples and their economic, social and cultural rights, property rights, fair taxation, corruption, a healthy natural environment and ethical management. These risks are updated with the acquisition of new companies and the roll-out in new geographical areas, so in 2023 it was not necessary to review them **ESRS S1-1 p. 22 / ESRS S2 SBM-3 p. 11 (b) / ESRS S1 SBM-3 p. 14 (f) i., ESRS S1 SBM-3 p. 14 (g) i.**

Special mention should be made to the analysis of the impact that Redeia's activities have on local

communities, focusing on indigenous people. Of the countries where the company operates, only Peru has communities. However, there are no indigenous communities or settlements in the direct area of influence of Redinter's activities, and, therefore, there is no impact on this population group. / **ESRS S3 SBM-3 p. 9 (a) iv.** To reinforce this, in previous years, work has been done on identifying similarities between the United Nations Guiding Principles on Business and Human Rights and the environmental impact studies that Redinter carries out.



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Vigilant of the risks of violations, the Company systematically analyses and reinforces its policies, commitments, and control mechanisms to minimise their occurrence, ensure respect for human rights, and remedy any potential violations.

Thus, 2023 in previous years, a year of progress in terms of human rights where the due diligence process has again evidenced that the Company has a **low risk level** and applies the adequate controls, so violation risks have not materialised and, therefore, no human rights have been violated. Therefore, for now, it has not been necessary to implement any remediation actions. **ESRS S1-4 p. 38 (b) / ESRS S3-4 p. 36**

Notably, no significant human rights risk has been identified in the Company's operations which includes severity of impact and high probability of occurrence, since



The Company extends its commitment regarding human rights to the third parties with whom it maintains a relationship and applies due diligence measures according to the associated counterparty risk.



Phases of Redeia's due diligence process

Mapping of Human risks

Ensuring that Redeia's human rights and rights holders have not changed compared to previous years. Preparation of a human rights risk map by identifying, prioritising, and assessing negative, potential and real impact, through a bespoke method based on the probability of occurrence of the impact and its severity. This map is updated on an annual basis.

Implementation of measures for prevention, mitigation, and remediation of risks

Integration of the conclusions drawn from the Human Rights Risk Map into the Company's functions and procedures and implementation of the prevention, mitigation and/or remediation measures for the risks identified together with specific improvement goals.

Follow-up on the implemented measures

Impact derived from all the income generated in the previous stages. This effect includes both the impact of final consumption derived from all the income generated, as well as the tax collected by all public administrations when applying the various taxes to the total of the activity and the income generated.



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several prevention measures are developed through Redeia's internal regulations. / **ESRS S1 SBM-3 p. 14 (f)** / **ESRS S1 SBM-3 p. 14 (f) ii.** / **ESRS S1 SBM-3 p. 14 (g)**

In 2023, risks having a high severity of impact are linked to corruption, child labour or human trafficking, covered by excellent mitigation measures thanks to various internal procedures that minimise their possible occurrence ("very low" rank, 1.3 out of 5). / **ESRS S2 SBM-3 p. 11 (b)** For its part, the risk related to working conditions (psychosocial risks, excessive workloads or right to digital disconnection) is identified as the most likely (2.1 out of 5) in both Spain and Latin America, although the possibility of occurrence is very low (1.9 out of 5). In line with the above, Redeia has a **very high prevention level** due to its internal regulations and standardised controls in this field. / **"ESRS S1 SBM-3 p. 14 (f) i., ESRS S1 SBM-3 p. 14 (g) i.**



Redeia conducts annual due diligence assessments on human rights. In 2023, no human rights were violated, so it was not necessary to apply any remediation measure.



On an annual basis, new mitigation measures for risks with a greater probability of occurrence are studied and implemented to keep reducing this probability. In 2023, they were again focused on labour conditions, and measures such as voluntary hybrid work were developed, the Emoción (Emotion) project, which integrates emotional management in risk prevention strategy or the creation of a breastfeeding room, among many other (more information in the chapter **The Human Capital** ↪ in this report).



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Similarly to human rights, mitigation measures must also be constantly monitored to assess their effectiveness. In this sense, the probability of these events occurring with Redeia's employees has been reassessed to see if the mitigation measures have worked.

- In the case of psychosocial risks, the probability of occurrence has brought down its score by 25% compared to 2022, while extra working hours have decreased by more than 10%.
- Moreover, digital disconnection measures have decreased the probability of occurrence of this risk by 9%.

In addition, the company extends its commitment regarding human rights to the third parties with whom it maintains a relationship of any kind and applies due diligence measures according to the associated third-party risk. Redeia conducts a study before formalising any relationship with a third party to collect information on its integrity and its respect for human rights, focusing on previously identified rights holders. To this end, several due diligence measures have been established, which are applied accordingly to counterparty risks and the features of the relationship it intends to establish. This process is initiated whenever a new relationship involving corporate operations, business partners,



external agents, administrators, the management team, collaborating entities in the social environment, landowners, suppliers, or customers begins. / **ESRS S3-1 p. 16** In 2023, no relationships with counterparties have been established that evidence human rights violations. / **ESRS S3-4 AR 27**

From this analysis it can be concluded that, in 2023, no non-fulfilment of the UN's Guidelines on Companies and Human Rights, the ILO Declaration or the OECD Guidelines for multinational companies that involve the communities affected, nor in Redeia's own operations or its relationships with third parties, have been identified. / **ESRS S3-1 p. 17**

Finally, as a final control of aspects linked to the observance of human rights, Redeia annually certifies the Corporate responsibility

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Training on human rights

100%

of security guards working in the company's premises have received the mandatory human rights training applicable to security companies.

management system (IQNet SR10) that entails auditing all work centres every three years, the Criminal compliance management system (UNE 19601) and the Anti-bribery management system (UNE-ISO 37001). / **ESRS 2 BP-2 AR 2**

Complaints mechanisms

ESRS S2-3 p. 27 (b) / ESRS S3-3 p. 27 (b)

Redeia has an **Ethics and Compliance Channel**, accessible to all its stakeholders, as a formal mechanism for responding to enquiries and grievances regarding human rights. Additionally, the Company has other communication channels open to its stakeholders, where they can share their concerns regarding any matter in the area of human rights, such as the DÍGAME service that manages the enquiries and suggestions from external stakeholders related with the transmission of energy and the system operation, the ASA Channel (Procurement Support and Help desk) for providing specific attention to suppliers, or the International DÍGAME Service. focused on business activities

in Latin America or Hispasat and Reintel channels. **ESRS G1-1 p. 10 (c) / ESRS G1-1 p. 10 (c) i.**

Any request received in the above-mentioned channels is used to feed the risk map in terms of human rights in the Company.

Communication

Redeia makes its stakeholders participate in its performance on human rights issues through the Sustainability Report. The result of the due diligence process has once again shown that the Company maintains a low level of risk and applies the appropriate material risk controls to ensure that no human rights risks are breached. To date, no remediation action has been implemented.

In 2023, the Company did not carry out any new training activities for its employees in the field of human rights. / **412-2**



Moreover, 100% of the security guards working on the Company's premises have received the mandatory training on human rights applicable to security companies.

410-1

Furthermore, it should be noted that the Company annually publishes its Report on the Management of the Code of Ethics, which includes an analysis of the possible grievances received in this field and whose Executive Report is included in the chapter **Annexes** ↻ in this report.

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During 2023, Redeia continued with its training initiative for suppliers in matters related to human rights, obtaining an average overall satisfaction score of 9 points (out of 10) from the participants.



Respect and protection of human rights in the supply chain

To implement sustainability principles throughout the supply chain, Redeia's Supplier Code of Conduct establishes the obligation for these stakeholders to respect human rights. By accepting the general conditions of the contract, all Company suppliers undertake to comply with the Code of Conduct, which can be verified by carrying out social audits. **/ ESRS S2-1 p. 14**

Through the supplier portal, Redeia also establishes mechanisms to

prevent the violation of human rights in its supply chain. In 2023, no suppliers were identified that have compromised compliance with human rights. Therefore, no contract or order has been cancelled for this reason.

/ ESRS S1-1 p. 20 (c)

The Company has a specific communication channel with suppliers, the ASA Channel (Procurement Support and Help Desk service). It is worth mentioning that during 2023, Redeia received no complaints regarding human rights via this channel. **/ ESRS S3-4 p. 36**

Lastly, it is worth pointing out that, in 2023, Redeia continued training its suppliers on human rights in collaboration with the Spanish Global Compact Network. **/ ESRS S3-1 p. 16** In particular, 235 participants from 107 different suppliers have benefited from this initiative since its inception, with an average overall satisfaction score of 9 points (out of 10). 79 users have joined the second initiative with suppliers. More information in the chapter **Supply Chain** [↪](#) in this report.

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Key indicators 2023

More than 500 action plans aimed at reducing the level risk.

More than 300 indicators to monitor risk evolution.

Milestones 2023

External review of the comprehensive risk management system to assess their alignment with the ISO 31000, COSO ERM standard and the best practices in the field of comprehensive risk management.

Evolution of Redeia's risk analysis, including a specific analysis on the organisation's emerging risks to include them on the Risk Map.

Review and improve Redeia's relevant risk reporting model.

Challenges for 2024

Review the acceptable level of risks (NRA).

Review and update corporate risks taxonomy.

Strengthen risk culture.

Review and improve criteria to assess the effectiveness of mitigating actions.

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3.3 Risk Management

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Redeia has a **Comprehensive Risk Management System** in place in order to facilitate the fulfilment of the Group's strategies and objectives, ensuring that the risks that could have an impact on



them are identified, analysed, assessed, managed and controlled in a systematic manner, with uniform criteria and within the level of acceptable risk approved by the Board of Directors.

Redeia has a **Comprehensive Risk Management System** reviewed and updated in 2021, and a **Procedure for comprehensive risk management and control**, reviewed and updated in 2023, based on the Comprehensive Corporate Risks Management Framework COSO (Committee of Sponsoring Organizations of the Treadway Commission) ERM Enterprise Risk Management. Said General Comprehensive Risk Management and Control determines

Comprehensive risk management and control procedure

Stages	Objectives
1 IDENTIFICATION	Identify the risks and exposure to factors that produce them.
2 ASSESSMENT: PROBABILITY/IMPACT	Define the probability of occurrence of the risk and its impact level.
3 ANALYSIS OF THE RISK LEVEL	Determine the risk value: low, medium or high.
4 ACTION PLAN	Develop action plans that mitigate or reduce the risk, maintaining them at an acceptable level.
5 MONITORING AND CONTROL	Incorporate information on relevant risks (risk map) and inform the governing bodies.



The management System conforms to the ISO 31000 standard regarding risk management principles and guidelines and is ongoing and comprehensive in nature.



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the responsibility of the Internal Audit and Risk Control Division to report on the situation and evolution of the risks regarding the bodies in charge of their

supervision and control (Executive Committee, Audit Committee and Board of Directors) at least on a half-yearly basis, and whenever required or

when, due to the relevant of the matter, it is deemed convenient.
ESRS 2 GOV-2 p. 26 (a)

Risk management and control: organisation structure and responsibilities / 2-12 / ESRS 2 GOV-1 p. 22 (a) / ESRS 2 GOV-1 p. 22 (b)



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Risk structure

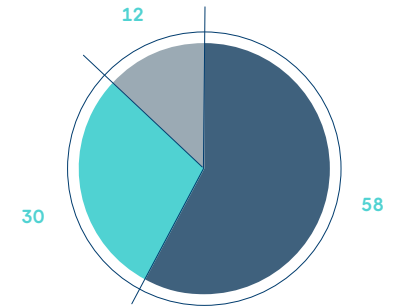
Redeia has a taxonomy or classification of risks in order to facilitate a more complete identification of threats and to allow a more detailed analysis. This structure allows the risks identified to be classified into three levels of aggregation.

REDEIA
IDENTIFIES
93
risks

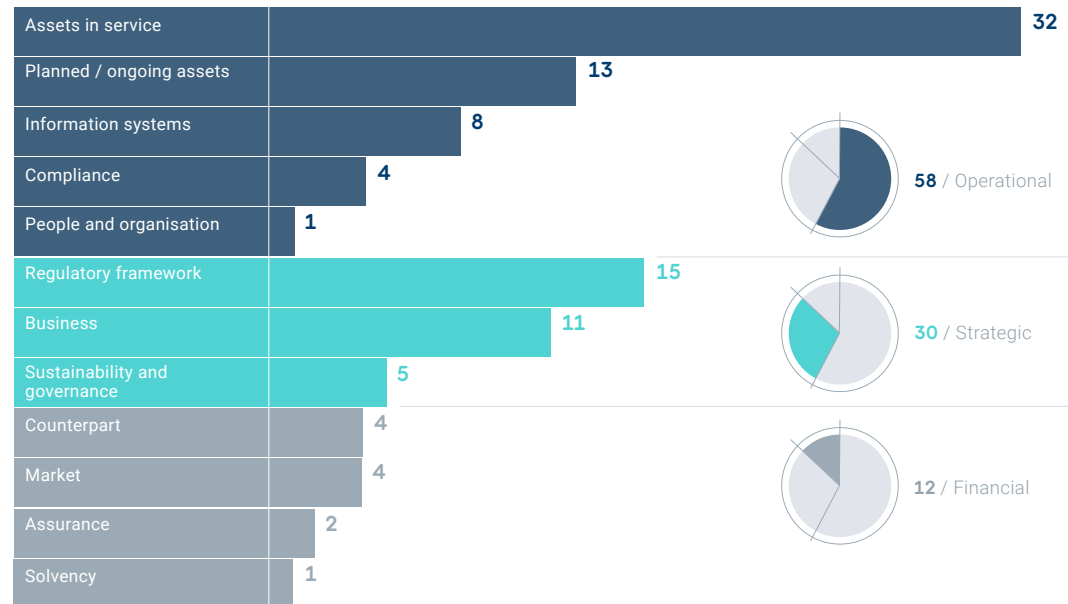
in total in accordance with their risk taxonomy

Distribution of risks

Distribution of risks (First level)/%



Distribution of risks (second level)/%



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Acceptable risk level

Redeia's Risk Management System determines the level of risk by combining two factors: the probability of occurrence and the potential impact of the risk's

realisation on the company, which is assessed across four key business dimensions: economic loss, strategic plan achievement, reputation, and electricity supply.

Each risk is located in the matrix based on its probability of occurrence and level of impact. The matrix automatically determines the level of risk, so all identified risks are individually classified into three categories: high, medium, and low-level risks.

The acceptable risk level for Redeia is defined within the Comprehensive **Risk Management Policy**, which the Board of Directors approves. This policy sets thresholds for individual risks and collectively for the impact categories included in the Comprehensive Risk Management System: economic loss, strategic plan achievement, reputation and electricity supply (or the equivalent category relevant to each Redeia company's operations).

In addition, Redeia frequently conducts various sensitivity analyses (**stress tests**) on specific financial and non-financial risks to anticipate the potential impact that their materialisation could have on the Company, based on certain future scenarios and monitor the possible evolution of key variables that could impact the fulfilment of the strategic plan, including financial aspects (interest rates or inflation) as well as operational considerations.



Impact axes for determining the risk level

Financial loss

Impact on the income statement, after corporate tax.

Reputation

Stakeholder perception as a result of failing to meet their expectations and dissemination of the project via communication channels and social networks.

Achievement of the Strategic Plan

Degree of impact on the achievement of the Strategic Plan.

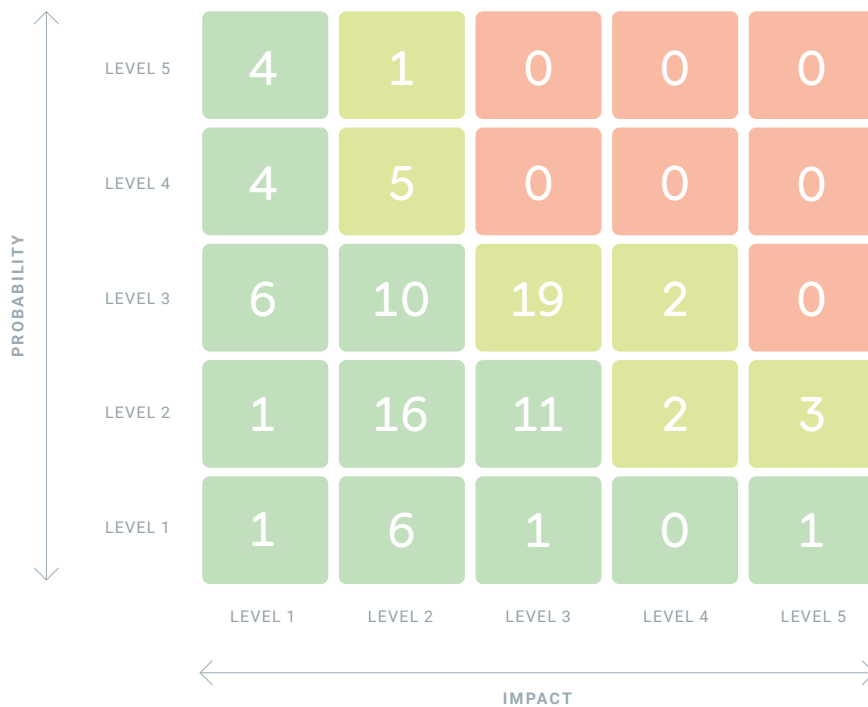
Electricity supply (only impacting Redeia's electricity business)

Energy not supplied (ENS) to which the possible event would give rise.



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Distribution of risks/no. (probability/impact)



For illustration purposes, regarding non-financial risks, the analysis performed within the scope of the operation of the Spanish electricity system stands out. In order to test the correct preparation to manage possible incidents and to assess the different risks inherent to its activity, several stress and sensitivity tests (simulations) are done periodically, which are focused, on the one hand, on the testing process and systems, and, on the other hand, on operators of control centres performing analysis to address potential risk situations that may arise. During these simulations, all the systems and processes are checked. They are updated on an ongoing basis to adapt them to the changes that happen in the electricity system, which are currently aimed mainly at facilitating energy transition and move towards a unique European market.

Furthermore, sensitivity tests are done on the risks associated with climate change, and they encompass both physical risks linked to the change in climate variables (that may impact the services provided by Redeia) as well as transition risks (associated with changes resulting from the fight against climate change: regulatory, technological, market and reputational):

Risks Materialised in 2023

In relation to operational risks, it is necessary to highlight that the facilities of the transmission grid are exposed permanently to events that may impact the continuity and security of the electricity supply. These events are mainly caused by counterparties or also by meteorological phenomena. Should these events materialise, Redeia maintains insurance policies to limit the potential impact that these events may cause on their profit statement.



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The overall acceptable risk level that the Company is willing to assume for each of the axes of impact considered in the Comprehensive Risk Management System is approved by the Board of Directors.



Supervision and response plans

The risk identification, analysis, assessment, management, and control process at Redeia is systematically done, starting at the department level, extending its supervision to the different hierarchical levels in the organisation, and eventually raising the matter to the Executive Committee, the Audit Committee, and the Board of Directors.

The graphic at the beginning of this chapter illustrates the cross-functional nature and the shared responsibilities inherent in the process. Said Organisational

and Responsibilities Structure graphic also states, as part of the responsibilities of the Internal Audit and Risk Control Division, the monitoring of risks along with the organisational units and the steady reporting on the situation and evolution of risks to the bodies in charge of their supervision and control, as well as extending the requirements these bodies have to the units responsible for managing the risks. / **ESRS 2 GOV-1 p. 22 (c) i.** / **ESRS 2 GOV-1 p. 22 (c) ii.**



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In the process of identifying, analysing, assessing and controlling risks, the necessary actions are established to reduce the level of risk and bring it into line with the acceptable risk level.

The actions taken to mitigate Redeia's risk level are designed according to coherence criteria between the relevance of the risk and the cost, as well as the necessary means to reduce it. However, for those activities considered critical, the impact that the risks may have on such activities shall also be considered in the definition of such actions.

For the monitoring of risks, the Risk Management System currently includes the monitoring of more than 500 action plans aimed

at reducing the risk level and encompasses more than 300 indicators to control their evolution.

The Risk Control Division of Redeia and the risk management units review the progress and mitigating effect of the established action plans. This review is carried out annually, covering all risks on the corporate map and with a biannual periodicity for those risks of high level and others subject to special monitoring. Regarding the latter, this review is carried out in anticipation that changes in their situation could lead them to achieve the high-level risk assessment in the medium/long term.

Redeia has an **Internal Control Over Financial Reporting (ICFR)** system with the fundamental objective of obtaining improvements in the efficiency and security of the processes related to the Group's financial reporting, proactively adopting the best international practices in this field. The ICFR includes explicit information about Redeia's tax processes and controls.



The Risk Management System currently includes the monitoring of more than 500 action plans aimed at reducing the risk level and encompasses more than 300 indicators to control their evolution.



Similarly, regarding non-financial information, an **Internal Non-Financial Information Control System (INFIICS)** has been implemented. In addition, the company has an external verifier that issues verification reports on all non-financial information.

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Redeia also has contingency plans that govern the various crisis situations that could arise in the event of an electrical incident (to guarantee the security of supply) or a non-electrical incident that could impact any of the following: the environment, people, the Company's operations, the availability of its systems, business results, or any other aspect with an impact on the Company and its reputation.

The Company also maintains a Business Continuity Plan that outlines the necessary actions and procedures to enable an effective response to disasters, crises, or emergencies, ensuring a return to normal operations.

In 2023, the Crisis Management Protocol was strengthened through the development of a specific Crisis Communication Management Plan, which aims to establish the essential strategic guidelines and necessary actions to address communication needs during a crisis: in the institutional sphere, with public administrations and stakeholders, and in the sphere of the media and social networks

to respond to the communication needs that arise in a crisis situation .

ESRS 2 GOV-1 p. 22 (c) iii.

Annually, Redeia's Internal Audit department, integrated within the Internal Audit and Risk Control Division, prepares and executes an Annual Internal Audit Plan that includes all the assurance and consulting work done in the Company focused on the organisation's risks, taking as reference the Corporate Risk Map and other existing specific risk maps.

Similarly, throughout 2023, verification and external audit works were carried out, among which those related to the following should be highlighted:

- The local review of the Comprehensive Risk Management System done by an external recognised company in comprehensive risk management, AON Global Risk Consulting, aimed at assessing its alignment with the System certified with the ISO 31000 standard, COSO ERM, and with the best practices



in the field of comprehensive risk management, as well as the identification of potential improvement actions.

- The certified management systems that Redeia has, which are aimed at verifying the adequate implementation of these systems and their compliance with benchmark national and international rules and standards. The scope of these external audits foresees the identification, analysis, evaluation and management control process applicable to the Company's risks.
- The Internal Financial Information Control System (IFIICS) and the Internal Non-Financial Information Control System (INFIICS).

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Main current risks for Redeia / ESRs 2 SBM-3 p. 48 (e)

	Risks	Description	Potential impact	Main activities for the management of risks
Strategic Risks				
Regulatory framework	Changes in the electricity and telecommunication industry regulation	<ul style="list-style-type: none"> Regulatory changes occurring that could have a negative impact on the activities related to transmission and system operation and telecommunications activities. 	Decrease in the remuneration of the regulated business, which accounts for most of Redeia's revenues.	<ul style="list-style-type: none"> Dialogue with the regulator. Presentation of proposals to the regulator. Active presence in national and international organisations to defend Redeia's stance.
	Regulatory risks in foreign business	<ul style="list-style-type: none"> Regulatory changes that could negatively affect subsidiaries abroad. 		<ul style="list-style-type: none"> Maintaining good relations with entities and organisations where Redeia's subsidiaries are located. Monitoring of regulation.
	Other regulatory risks	<ul style="list-style-type: none"> Tax risks. Changes in environmental regulation. 	<p>Increased costs due to increased tax and environmental requirements.</p> <p>Operational costs associated with the increase in regulatory requirements.</p>	<ul style="list-style-type: none"> Adherence to the Code of Best Tax Practices. Establishing the tax strategy of Redeia. Incorporation of Tax Risk Policy into the Comprehensive Risk Management Policy of the group. Adaptation to the legislation related to climate change.
Business	Circumstantial risks	<ul style="list-style-type: none"> Risks related to the set of elements (economic, political and social) that affect the situation of a specific country or geographical area. 	Unfavourable impacts derived from the situation of the country where the activity is carried out.	<ul style="list-style-type: none"> Country-risk analysis. Monitoring of the economic, political and social evolution of the country.
	Technological risks	<ul style="list-style-type: none"> Risks associated with not staying abreast of technological advances in the energy and telecommunications sectors. 	Loss of opportunities associated with the energy and telecommunications transition.	<ul style="list-style-type: none"> Consolidation of Elewit, Redeia's platform, from which technological innovation is driven and Redeia's presence in the innovation ecosystem is promoted. Deployment of venture client programmes, the corporate venture capital (CVC), the technology labs or the creation of a global innovation hub (GIH). Technological monitoring. Management of the portfolio of Innovation Projects. Grid2030 Programme.

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Main current risks for Redeia / continued

	Risks	Description	Potential impact	Main activities for the management of risks
Strategic Risks				
Sustainability and governance	Risks of non-compliance with best practices in sustainability and good governance	• Risks associated with not adopting best practices in sustainability, good governance, and transparency, which can deteriorate stakeholders' perceptions of the Company.	Loss of the Group's reputation, of socially responsible investment and of the percentage of votes in favour of resolutions submitted to the General Shareholders' Meeting for approval.	<ul style="list-style-type: none"> • Sustainability, Corporate Governance and Corporate Reputation Policies. • Execution of the 2030 Sustainability Commitment and of the 2030 Goals aligned with SDGs. • Sustainability Committee of the Board and the Executive Sustainability Committee. • Status of non-financial information and the Sustainability and Corporate Governance reports. • Participation in the assessments linked to the main sustainability indexes. • Corporate Responsibility Management System certified according to SR10. • Stakeholder Management Model. • Approval of criteria for communication with shareholders, institutional investors and proxy advisors
Operational risks / ESRs S3-4 p. 30 / ESRs S3-4 p. 32 (a)				
Planned assets	Risks associated With Investment Plan	• Risks associated with the execution of investment projects for new electricity transmission infrastructure and telecommunications that entail deviations in cost and/or deadlines, among which we can include difficulties in the permitting process for electricity infrastructure and social and institutional opposition to infrastructure.	Financial loss due to delays in incorporating assets into the remuneration model	<ul style="list-style-type: none"> • Strengthening ties with the communities in the territories where the facilities are located. • Institutional collaboration agreements. • Collaboration with the Public Administrations to improve the permitting process for electricity infrastructure from both a national and a European perspective. • LISO Project, to facilitate the development of transmission grid facilities. • Design and implementation of Comprehensive Impact Strategy. • Monitoring of the Investment Plan and Transmission Grid Planning. • Monitoring of budget. • Inspection of the execution of construction works. • Development of the risk management model for investment projects. • Planning to ensure material and service needs are covered: increase in the capacity to execute projects to adapt to the potential incidents that may arise.

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Main current risks for Redeia / continued

	Risks	Description	Potential impact	Main activities for the management of risks
Active assets	Operational risks			
	Risks related to power outages and the evacuation of generation	<ul style="list-style-type: none"> Breakdown/fault occurring in the facilities that may significantly impact the electricity system, causing power outages on the Iberian Peninsula or on the islands. 	Electricity supply interruptions and possible sanctions arising from claims regarding the service.	<ul style="list-style-type: none"> Emergency equipment and procedures on crisis and emergency management. Development of degradation models by type of asset and implementation of SAGA for managing the risk of the Transmission Grid. Periodic inspections of equipment and systems. Preventive and predictive maintenance programmes. Renovation and improvement plans for facilities. Improvement of grid meshing and increase in the construction of facilities to deal with the Electricity Infrastructure Plan approved by the Government. Power service restoration plans. Implementation of SIMON (Facilities Monitoring System) for early detection of potential breakdowns. Contracting insurance policies to cover possible damages that can be derived from an incident.
	Risks associated with the operation of the electricity system	<ul style="list-style-type: none"> Human errors in the coordination or configuration of equipment. Malfunction of telecommunications. Failure of computer systems that support the activity. 	<p>Potential non-availability or reductions in the normal operation of facilities.</p> <p>Increase in claims due to supply interruptions.</p>	<ul style="list-style-type: none"> Specific actions for strengthening the transmission grid. Power service restoration plans. Renovation and improvement plans for facilities. Improvement of the telecommunication systems. Implementation of security mechanisms in the IT used. Ongoing training of operators. Contingency plans.
Risks associated with the provision of telecommunications services	<ul style="list-style-type: none"> Faults/breakdowns in the facilities that may lead to an incident in the provision of telecommunications services. 	Service interruptions and possible sanctions due to claims.	<ul style="list-style-type: none"> Ongoing monitoring of the functioning of the system. Analysis and strengthening of infrastructure. 	

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	Risks	Description	Potential impact	Main activities for the management of risks
Active assets	Operational risks			
	Risks that may affect the security of the facilities	<ul style="list-style-type: none"> • Impact on security in facilities (substations, control centres, buildings, etc.) such as vandalism, sabotage, theft, terrorism, etc. 	Damage to facilities and possible effects of this on the availability of the service provided.	<ul style="list-style-type: none"> • Comprehensive Security Policy. • Security systems in facilities. • Permanent monitoring services that allow the detection and management of incidents. • Contact with the Spanish Civil Guard and National Police. • Comprehensive security management model. • Consultation and collaboration with the CNPIC (National Centre for Critical Infrastructure Protection). • Operator Security Plan (OSP) and Specific Protection Plans (SPP). • Contracting insurance policies to cover possible damages that may be caused to facilities.
	Risks of impacts on the environment	<ul style="list-style-type: none"> • Risks of impact on vegetation species. • Impact on bird life. • Pollution of soil and water. • Impact on archaeological heritage. • Risk of fire. 	<p>Damage to the environment with relevant consequences that could involve sanctions, in addition to the costs associated with repairing the impacts caused by the event.</p> <p>Reputational loss of Redeia.</p>	<ul style="list-style-type: none"> • Environmental Policy. • Application of strict environmental criteria in all phases of planning, construction and maintenance of facilities. • Environmental supervision of construction works. • Inspection of facilities (lines and substations). • Biodiversity strategy and actions. • Development of research projects and fire prevention plans. • Projects for birdlife conservation. • Environmental training courses for field staff. • Environmental awareness of suppliers. • Implementation of Environmental Work Certification. • Establishment of collaboration agreements in the field of environmental protection with the various Autonomous Communities.

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Main current risks for Redeia / continued

	Risks	Description	Potential impact	Main activities for the management of risks
Operational risks				
Active assets				<ul style="list-style-type: none"> • Definition Plan of measures for the prevention of forest fires (2023-2025). • Fire protection plans. • Contingency plans. • Environmental Management System certified in accordance with ISO14001. • Emergency Intervention System (SIU) for oil spills due to breakdowns. • Planning of preventive maintenance activities aimed at managing the risk of the asset (SAGA) • VEGETA project to optimise annual vegetation treatment cycles. • DALIA Project, which facilitates inspection work through image processing by means of artificial intelligence. • Contracting insurance policies to cover possible damages that can be derived from an incident.
Information systems	Risks related to cybersecurity	<ul style="list-style-type: none"> • Risks associated with the non-availability of systems. • Risks associated with unauthorised access to specific IT applications. 	Impact on the ordinary operation of equipment and services as well as reputational loss depending on the extent of the impact of the incident.	<ul style="list-style-type: none"> • Comprehensive Security Policy. • Firewalls and anti-intrusion systems. • Antivirus systems. • Increase in the security of access requirements. • Mechanisms for the detection of incidents/alerts, incident and vulnerabilities management. • Software updates. • Mock cyber-incident drills (pentesting, contingency tests and recovery in systems, and security assessment to detect vulnerabilities • Training and awareness plans • Comprehensive security management model.

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	Risks	Description	Potential impact	Main activities for the management of risks
Operational risks				
Information systems				<ul style="list-style-type: none"> • Consultation and collaboration with the CNPIC (National Centre for Critical Infrastructure Protection). • Development of the Operator Security Plan (OSP) and Specific Protection Plans (SPP). • Contingency plan in the event of cyber incidents. • Subscribing cyber insurance policies. • Existence of a Control Framework and its annual verification. • Internal cyber security audits.
People and organisation	Risks related to people	<ul style="list-style-type: none"> • Accident rate. • Adaptation of the occupational health and safety risk prevention system. 	Reputational and financial loss to the group arising from possible claims.	<ul style="list-style-type: none"> • Comprehensive Security and People Policy. • Occupational Health & Safety Action Plan (quarterly). • Action plan to follow in the case of especially severe labour hazards impacting people. • Permanent Occupational Health and Safety Group, to monitor action plans, accident rate indicators and adopt corrective measures, if applicable. • Maintenance and improvement of the structured prevention system in accordance with the ISO 45001 Standard. • EFR 1000 certifications. • Annual communications and awareness plan on occupational health and safety. • Technical procedures for the organisation of security. • Prevention Task Force. • Contracting accident, life and civil liability insurance policies. • Application of the personnel performance appraisal system. • Professional development plans. • Contracting of young employees with potential.

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Main current risks for Redeia / continued

	Risks	Description	Potential impact	Main activities for the management of risks
Strategic Risks				
Compliance	Compliance risks	<ul style="list-style-type: none"> • Non-compliance with legislation, internal regulations and commitments assumed by Redeia. • Corruption and fraud. 	Reputational and financial loss for Redeia as a result of possible sanctions.	<ul style="list-style-type: none"> • Compliance Policy and Ethics and Compliance management system and whistle-blower protection. • Code of Conduct and Ethics of Redeia, Ethics Manager and the Whistle-blowing and Compliance channel (enquiries and grievances). • Anti-Bribery and Crime Prevention Management System certified according to UNE 19601 and ISO 37001 Standards. • Internal audits. • Implementation of the Compliance System encompassing 16 regulatory areas. • Anti-Bribery and Crime Prevention Compliance Committee. • Data Protection Officer and Data Protection Advisory Board. • Development of a due diligence model regarding integrity and human rights with third parties. • Training and awareness-raising plan regarding ethics and compliance. • Guidelines for the Prevention of corruption and fraud: Zero tolerance.
	Financial Risks			
Market and solvency	Risk of increase in the cost of equipment and raw materials	<ul style="list-style-type: none"> • Risks associated with the increase in the price of equipment and raw materials. 	Increased cost of the activity and impact on the profitability of certain investment projects.	<ul style="list-style-type: none"> • Promotion of competition in the supply chain, incorporating new suppliers (scouting). • Review of contracting strategies for the main services to execute investments and maintenance. • Driving the review of technical specifications promoting cost reduction (increase of normalisation and standardisation): • Guaranteeing the price of raw materials and/or the EUR€/USD\$ exchange rate in large projects. • Making suppliers aware of the Company's upcoming needs; review and adaptation of purchasing strategies, and active sourcing of suppliers for higher impact supplies; strategic stock assessment; ordering and paying in advance to facilitate the stockpiling of raw materials, as well as increased monitoring of manufacturing and delivery processes.

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	Risks	Description	Potential impact	Main activities for the management of risks
Financial Risks				
Market and solvency				<ul style="list-style-type: none"> • Identification of contracts affected by price indexing /linked to benchmark indices) and assessment of potential coverages. • Drafting of turnkey contracts.
	Risks associated to variations in market conditions	<ul style="list-style-type: none"> • Risk before variations in rates and credit margins or inflation that may affect results. • Possible negative effects of an unfavourable change in currency exchange rates. 	Financial impacts resulting from market fluctuations affecting both debt and investment.	<ul style="list-style-type: none"> • Periodic reviews of interest rates and their impact on financial statements. • General guidelines establishing the framework of action in Redeia's financial management for the Strategic Plan. • Maintenance of percentages in the fixed / variable financial structure. • Monitoring possible actions that would imply a downgrading revision of the ratings. • Economic and Financial Policy including a principle on economic and financial risks and instruments for their management and control. • Establishment of new financing mechanisms that allow access to markets in an agile and efficient manner. • Establishing hedging mechanisms for transactions performed in non-euro currencies.
	Non-compliance by third parties	<ul style="list-style-type: none"> • Risk associated with non-compliance by third parties of the payment obligations established. • Risk associated with dependence on suppliers and providers. • Incidence in accounts receivables regarding agreements signed with telecommunications services clients. 	Impact on the normal functioning of the activity. Financial loss due to price renegotiations and contract cancellations.	<ul style="list-style-type: none"> • Design of an international financing scheme. • Monitoring of the quality of the service provided. • Monitoring the portfolio of clients. • Request for bank guarantees and financial considerations to grant the credit facilities requested by customers. • Development of contracting strategies for key services by the procurement department.
Assurance	Inadequate coverage in the event of an accident	<ul style="list-style-type: none"> • Insufficient coverage when faced with a significant increase in claims. • Loss of solvency of the reinsurance company. 	Increase in costs.	<ul style="list-style-type: none"> • Provision of supplies. • Ongoing monitoring of the level of claims. • Reinsurance risk.

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Redeia follows the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) in its management of climate-related risks.



Redeia's relevant risks are classified into three taxonomy levels, ensuring that all thematic areas are analysed and assessed. In the table above Redeia's main risks are detailed, including those covered by ESRS requirements and those covered by specific Company disclosures. In addition, Redeia's Risk Map includes a specific section to analyse and assess climate change risks. / **ESRS 2 SBM-3 p. 48 (h)**

Emerging risks

During 2023, the identification and analysis of the Company's potential emerging risks continued, which are understood as those new risks whose origin differs from those traditionally managed because, due to their nature, they are difficult to predict, estimate and assess, or because their time horizon is uncertain, as a result of economic, social, technological, political and environmental transformation and with possible impacts of particular relevance for the organisation.

This category of risks also refers to those that already exist and have been identified but which may undergo significant changes in the medium and/or long term, either due to their scope or to a considerable change in the consequences they generate.

Moreover, in 2023, progress has been made in the project to identify and analyse trends and scenarios in the long term (2050 horizon), carrying out different micro studies focused on identifying potential future risk trends that could impact Redeia.

Risks and opportunities associated with climate change

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Risks associated with climate change

Since the approval of its commitment to combat climate change in 2021, Redeia has expressed its need to address issues related to its adaptation to climate change. Therefore, the Company works with the aim of being able to face both the physical changes

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associated with modifications in climate parameters (physical risks), as well as other changes associated with the fight against climate change (transition risks).

The latter, due to Red Eléctrica's function as a transmission and system operator of the Spanish electricity system, are especially relevant to the organisation, as the regulatory and technological changes necessary for the energy transition required to achieve the climate objectives pose a series of challenges and uncertainties with potential impact on the Company's business.

The Company follows the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD) in its management of climate risks. It has a methodology for its identification, prioritisation and economic quantification, which it began to apply for the electricity business in 2019 and transferred to its business activities in Latin America and telecommunications business in 2021. / **ESRS E1 SBM-3 p. 19 (a) / ESRS E1 IRO-1 p. 21**



Climate change scenarios

ESRS E1 SBM-3 AR 7 (b) / ESRS E1 IRO-1 AR 11 (d) / ESRS E1 IRO-1 AR 12 (c) / ESRS E1 IRO-1 AR 13 (a) / ESRS E1 IRO-1 AR 13 (b) / ESRS E1 IRO-1 AR 15 / ESRS E1-4 AR 30 (c)

Physical scenario IPCC⁽¹⁾

2030-2050-2070 Horizon

RCP 8.5
(SSP5-8.5)

RCP 6.0

RCP 4.5
(SSP2-4.5)

RCP 2.6
(SSP1-2.6)

SSP1-1.9

Energy transition scenarios (AIE/NECP)⁽²⁾

2030-2050 Horizon

Business As Usual (BAU) status quo

Trends (STEPS)

Announced goals (APS)

Net Zero Emissions by 2050 (NZE 2050)

- No climate policies are implemented.
- Very significant increase in emissions.
- Trend development of climate policies.
- Emissions growth in excess of the Paris Agreement target.
- Scenario compatible with an average temperature increase of 2.4°C.
- Relevant changes in policies, required to attain the goal of the Paris Agreements (in Spain, compatible with the NECP).
- The APS is compatible with an average temperature increase of 1.7°C and NET ZERO with an increase of 1.5°C in 2100.

Note. The relation between physical scenarios and transition scenarios is presented for illustration purposes. The scenarios taken into consideration in the analysis of the risks corresponding to 2023 have been highlighted in bold.

(1) The physical scenarios included in the fifth report (AR5) of the Climate Change Cross-Government Group (IPCC). In the case of the electricity business in Spain, the scenarios proposed in Spain's National Energy and Climate Plan (NECP) have been considered and in the case of Latin America the projections done by the World Bank for these same scenarios have been taken into account. / **ESRS E1 IRO-1 AR 12 (c)**. It should be noted that, according to the governance model defined for the management of climate risks and opportunities, there is no requirement to update the scenarios annually. Physical scenarios are expected to be updated in 2023 taken into consideration the conclusions in the sixth IPCC's report (AR6). (For now, the information on equivalent scenarios SSP, has been used as reference). / **ESRS E1 IRO-1 AR 13 (a) / ESRS E1 IRO-1 AR 13 (b) / ESRS E1 IRO-1 AR 15**

(2) The scenarios proposed by the International Energy Agency in its World Energy Outlook 2023 report have been considered as a benchmark, which are completed with additional information on the relevant variables depending on the business and geographical area. In the case of the electricity business in Spain, the scenarios proposed by the TYNDP (10-year Network Development Plan de ENTSOE), for 2050 and the scenarios proposed in Spain's National Energy and Climate Plan (NECP) for 2030. This Plan sets out the following targets for 2030: a 23 % reduction in emissions compared to 1990 levels and reaching a level of 74 % renewables in the electricity generation mix. These targets are aimed at achieving carbon neutrality by 2050 (which implies a 90 % reduction in emissions compared to 1990 levels and reaching a 97 % share of renewables in final consumption, with the electricity sector being 100 % renewable), and are therefore in line with the NZE 2050 scenario and RCP 2.6, and therefore in line with the objective of limiting the temperature increase to below 1.5° C. / **ESRS E1 SBM-3 p. AR 7 (a) / ESRS E1 IRO-1 AR 12 (c)**

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Redeia's risk analysis is done using three time horizons and considering different scenarios (physical and transition). Horizons have been defined bearing in mind the useful life of facilities (in the case of electricity infrastructure, it is 40 years) and strategic planning and regulatory periods.

Redeia has identified a total of 110 potential risks (43 regarding the electricity sector in Spain, for which a new identification of risks was carried out in 2023, 36 related to the electricity business in Latin America, and 31 for the telecommunications businesses), which are assessed considering the exposure, awareness and adaptation criteria. It must be noted that the procedure bears in mind both financial variables and other business indicators (impact on the electricity supply, impact on telecommunications services or impact on reputation). / **ESRS E1 IRO-1 p. 21**

As a result, risks are classified in four categories (low, medium-low, medium-high and high).

Redeia has considered high and medium risks relevant to the business, and they have been capitalised on to quantify their financial impact. Given the regulated nature of Red Eléctrica's activities, not all priority risks for Redeia necessarily involve a financial impact for the organisation.

The management of climate-related risks is integrated into the Company's risk management system, which is why the established **governance model** applies to these types of risks.

Nonetheless, in addition to being supervised by the Board's Audit Committee, as befits its oversight function regarding the comprehensive risk control system, climate risks are escalated to the Sustainability Committee. Among the functions of this committee is that of reviewing the corporate responsibility and climate change policies, which must facilitate the integration of the results of the analysis of risks and opportunities arising from climate change into the group's decision-making process.



Time horizons

Short-term	From now until 2026	The Company's strategic plan and the validity of electricity planning is taken into consideration. No relevant physical changes are expected.
Medium-term	2030 context	2030 is a turning point in several climate goals in the European Union and Spain's National Energy and Climate Plan (NECP). Some physical, minor or similar changes to current ones could start appearing.
Long-term	Transition risks: period between 2030 and 2050 Physical risks: they extend beyond 2050	2050 is the target year for climate neutrality. Between 2030 and 2050, regulatory changes and technological evolution are expected. In the case of physical risks, the most relevant changes are expected to materialise in 2050 (the electricity infrastructure that is currently being built will be commissioned by then).

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It should be noted that, in the case of climate risks, the Internal Audit and Risk Control Division and the Corporate Sustainability and Research Area share the following functions: supporting the organisational units in the identification, assessment and management of risks; monitoring the level of risk and its evolution;

and informing the bodies responsible for its control and the units responsible for its management.

The process of evaluating risks associated with climate change is carried out annually by the Sustainability Area and the organisational units responsible for such risks.

Relevant risks arising from climate change with an impact on a time horizon of one year have been included in the **Corporate Risk Map** in accordance with the Comprehensive Risk Control System. Significant risks are reviewed every six months.

ESRS E1 SBM-3 p. 18 / ESRS E1 SBM-3 p. 19 (c) / ESRS E1 IRO-1 p. 20 (b) i. / ESRS E1 IRO-1 p. 20 (c)

	Risks associated to climate change (1)	Business / Country (2)	Time Horizon	Scenarios	Classification	Potential impact on the business	Type of financial impact	Mitigation actions
Physical risks	Damage to overhead lines due to extreme winds (3)	Red Eléctrica (Spain)	C/M/L	RCP 4.5 RCP 8.5	Medium high 	- Damage to infrastructures. - Increase in maintenance costs. - Impact on the electricity supply.	- Increased costs (3)	- Improvement projects and transmission grid facility reinforcement. - MANINT project, to optimise the management and maintenance of transmission grid assets.
	Damage to lines and substations due to fire (3)	Red Eléctrica (Spain)	C/M/L	RCP 4.5 RCP 8.5	Medium high 	- Impact on reputation, associated with supply outages. - Possible effects on third parties or the environment in the event of fire.		- Pruning plans. VEGETA project - Innovation. PRODINT Project and Bseed WATCH®. - Contingency plans. - Insurance policies.
	Damage to outdoor equipment due to high temperatures	Red Eléctrica (Spain)	L	RCP 4.5 RCP 8.5	Medium high 	- Increased costs for repair and replacement of equipment and reduced lifetime. - Increased cost of equipment due to design modifications to increase resilience.	- Increased costs - Reduced revenues (6)	- Detailed review of the technical specifications (design) of the equipment. - Incorporation of additional technical requirements, if necessary. (4) - Insurance policies.

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	Risks associated to climate change (1)	Business / Country (2)	Time Horizon	Scenarios	Classification	Potential impact on the business	Type of financial impact	Mitigation actions
Physical risks	Decrease in the efficiency of photovoltaic generation due to higher temperatures	Red Eléctrica (Spain)	L	RCP 4.5	Medium-low	- Impact on the operation of the electricity system by reducing the availability of generation.	NA(5)	- Improvement of forecasting systems. - Availability of alternatives to cover demand.
				RCP 8.5	Medium-high			
	Decrease in the availability of water resources for hydroelectric generation	Red Eléctrica (Spain)	M/L	RCP 4.5	Medium-high	- Impact on the operation of the electricity system, reduction of generation availability, lack of firm power and lack of resources for pumping (flexibility tool).	NA(5)	- Development of flexibility measures: storage, reserves and others. Availability of alternatives to cover demand.
			RCP 8.5	High				
	Increase in work absenteeism associated to climate change	Red Eléctrica (Spain)	L	RCP 8.5	Medium-high	- Availability of personnel to perform generation works.	- Increased costs(6)	- Consolidation of health and wellbeing policies. - Structural changes in HR policies and labour practices to adapt to chronic absenteeism.(4)
Transition risks	Lack of information to operate the system on the real time due to increase of renewable energy generation facilities of less than 1 MW (current observation threshold set by the System Operator)	Red Eléctrica (Spain)	M/L	NZE 2050	Medium-high	- Increased difficulty in system operation (volatility of production, lack of monitoring...).	- Increase in costs/ Decrease in revenues(3)	- Development of system operation tools and the safe integration of renewables (Control Centre of Renewable Energies, CECRE). - Strengthening of monitoring and control systems. - Development of prediction models regarding renewable generation.
	Generation disconnections due to high penetration of renewables without the technical capacities necessary for adequate behaviour in the event of disturbances.	Red Eléctrica (Spain)	C M	NZE 2050	Medium-low Medium-high	- Increased risk of incidents in system operation that may affect electricity supply. - Increased production constraints and restrictions. - Increase in the number of claims/grievances. - Impact on reputation.		- Collaboration in the development of the relevant regulations that allows more flexibility and requiring adequate technical skills to the different industry agents. Adaptation to Operation Procedures (OP) Dialogue with regulators. - Development of the grid to adapt it to higher penetration of renewable energies. - Development and inclusion of other elements, such as synchronous compensators in the electricity systems in island territories.

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	Risks associated to climate change (1)	Business / Country (2)	Time Horizon	Scenarios	Classification	Potential impact on the business	Type of financial impact	Mitigation actions						
Transition risks	Increase of limitation to renewable output and incidents that may impact the security of supply in the Canary Islands, associated with the noteworthy increase in the share of renewables in the energy mix foreseen in the coming years (it is foreseen that it will increase from 17% to over 50% in the 2030 horizon). (3)	Red Eléctrica (Spain)	C M L	NZE 2050	<table border="1"> <tr> <td>High</td> <td>Medium high</td> <td>Medium high</td> </tr> <tr> <td>●</td> <td>●</td> <td>●</td> </tr> </table>	High	Medium high	Medium high	●	●	●	<ul style="list-style-type: none"> - Increased difficulty in system operation (volatility of production, lack of monitoring...). - Increased risk of incidents in system operation that may affect electricity supply. - Increased production constraints and restrictions. - Increase in the number of claims. - Impact on reputation. 	- Increase in costs/ Decrease in revenues (3)	<ul style="list-style-type: none"> - Development of system operation tools and the safe integration of renewables (Control Centre of Renewable Energies, CECRE). - Strengthening of monitoring and control systems. - Development of prediction models regarding renewable generation. - Collaboration in the development of the relevant regulations that allows more flexibility and requiring adequate technical skills to the different industry agents. Adaptation to Operation Procedures (OP) Dialogue with regulators. - Development of the grid to adapt it to higher penetration of renewable energies. - Development and inclusion of other elements, such as synchronous compensators in the electricity systems in island territories.
	High	Medium high	Medium high											
●	●	●												
Loss of staple generation sources associated with the closure of conventional generation plants (coal-fired, combined cycle and nuclear power stations).	Red Eléctrica (Spain)	C M	NZE 2050	<table border="1"> <tr> <td>Medium low</td> <td>Medium high</td> </tr> <tr> <td>●</td> <td>●</td> </tr> </table>	Medium low	Medium high	●	●	<ul style="list-style-type: none"> - Greater difficulty in system operation, reduction of firm power, and balance capacities. - Increased risk of incidents in system operation that may affect electricity supply. - Impact on reputation. 	NA (5)	<ul style="list-style-type: none"> - Strengthening of cross-border interconnections. - Promotion of flexibility initiatives and smart grids. - Development of large-scale energy storage projects (Salto de Chira pumped-storage power plant) batteries in non-peninsular territories and in networks at an end-user level (innovation projects). - Development of solutions based on power electronics (Road2GFM project). 			
Medium low	Medium high													
●	●													

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Transition risks	Risks associated to climate change (1)	Business / Country (2)	Time Horizon	Scenarios	Classification	Potential impact on the business	Type of financial impact	Mitigation actions
	Saturation of grid access procedures associated with high interest from developers of renewable energy installations and the development of consumer and storage facilities	Red Eléctrica (Spain)	C M	NZE 2050	Medium-high Medium-low 	- Increase in complaints and lawsuits. Possible sanctions and reputational impact.	- Increase in costs	- Support and collaboration in the development of the regulatory framework. Collaboration and contact with the regulator. - Progress in digitalisation and automation of processes.
	More time to commissioning the infrastructure needed for the energy transition: international interconnections (mainly linked to the social opposition to this type of infrastructure and the long periods of time needed to process the permits required for its development)	Red Eléctrica (Spain)	C M L	NZE 2050	Medium-low Medium-high Medium-high 	- Economic impact due to delays in incorporating the assets into the remuneration model, or total loss of remuneration due to not being able to put them into service. - Increase in the number of claims. - Impact on the Company's reputation (in the case of delays in the development of Spain's National Energy and Climate Plan).	- Decrease in revenues (3)	- Communication plan regarding the electricity plan. - Viability analysis regarding the infrastructure proposed for the transmission grid planning process. - Stakeholder management model related to transmission grid investment projects. - Development of public participation/consultation processes. - INTEGRA project, to facilitate the adequate planning for the supply of services and material needs.

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	Risks associated to climate change (1)	Business / Country (2)	Time Horizon	Scenarios	Classification	Potential impact on the business	Type of financial impact	Mitigation actions
Transition risks	More legal requirements associated to the use of fluorinated gases (SF₆). (3)	Red Eléctrica (Spain)	C M	NZE 2050	Medium-low Medium-high 	<ul style="list-style-type: none"> - Increased costs associated with taxes related to the use of gas/gases. - Increased operational costs associated with increased requirements related to leakage monitoring and control. - Technical difficulties and costs associated with potential restrictions on the use of gas/gas. 	- Increase in costs/ Decrease in revenues (3)	<ul style="list-style-type: none"> - Voluntary agreement for the comprehensive management of SF₆ in the electricity industry, between the Ministry of Ecological Transition, equipment manufacturers (AFBEL), UNESA, REE and waste management companies. - Development of leak repair methodology. - Renewal of equipment. - Training and certification of personnel. - R&D in the search for alternatives to SF₆ gas. - Participation in working groups. - Monitoring and participation in regulatory development processes.
	Cybersecurity threats in a more digitalised system	Red Eléctrica (Spain)	C M L	NZE 2050	Medium-low Medium-high Medium-high 		- Increase in costs	<ul style="list-style-type: none"> - Technology watch in relation to alternatives. - Monitoring of regulatory processes.

S (short term, M: Medium term; L: long-term)

(1) Risks identified which have been relevant (high or medium-high) for a horizon or scenario have been included.

(2) Although risks for all the companies have been identified, only those risks related to Red Eléctrica SAU are relevant within the Group's context.

(3) The annual financial impact for each of the risks is less than 2 % of Redeia's results. The calculation of the impact takes into account the result of the mitigation measures implemented. For example, in the case of risks, financial impact is significantly reduced thanks to insurance policies. / **ESRS E1-9 p. 64 (a)** / **ESRS E1-9 p. 64 (b)**

(4) In the case of the risks identified only for the long term, it is not always required to start implementing all the measures identified (in some cases we need to wait to determine their need).

(5) No financial risk for the organisation.

(6) Monetisation has not been carried out because of risks that only arise in the long term.

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Opportunities arising from climate change

201-2

The fight to curb climate change requires a profound transformation towards a decarbonised economy that implies a set of opportunities for the Group. The main ones are associated with the **transition to a new energy model**, in which the electricity sector plays a key role, as the Company must boost its activities and strengthen its role as a central player in the system. Digitalisation and increased connectivity, which are also important elements in the decarbonisation process, bring additional opportunities for Redeia's telecommunications businesses.

The Group applies a methodology for the identification, prioritisation and economic quantification of opportunities associated with climate change that considers the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), takes into account different scenarios and is aligned with the management of risks. Following the aforementioned recommendations, the identification



Board of Directors annually oversee the identification and assessment of climate-related opportunities with the aim of taking these opportunities into consideration in the Group's decision-making processes and strategic and operational plans.



and the assessment of opportunities are systematically reviewed once a year, and the results will be submitted to the Sustainability Committee of the Board of Directors, in order to strengthen the consideration of opportunities in the decision-making process and in the Group's operational and strategic plans.

For Redeia, transition opportunities are relevant and linked to the changes involved in the fight against climate change (regulatory, technological, market and reputational).

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The main opportunities arising from climate change are associated with the energy transition in which Redeia is a key actor due to its essential role in the electricity system.



Given the Company's main activity, aspects of particular importance are those related to energy policies aimed at reducing emissions, aligned with a scenario of climate neutrality in 2050 (NZE2050 scenario of the International Energy Agency), which in the case of activities in Spain would be those established within the framework of the European Union and specifically in Spain's National Energy and Climate Plan (NECP), whose scenarios have been taken as a reference for the analysis carried out.

These policies entail, among other aspects, greater electrification, a larger share of renewable energy in the energy mix and changes in mobility policies, with the promotion of rail transport and the implementation of electric vehicles.

In this context, the electricity transmission grid, in addition to its essential role in transporting energy to the distribution networks and enabling the connection of new renewable power capacity, plays a fundamental role in providing critical



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services for the security of supply (reliability, wave quality, response capacity when faced with excessive energy generation and the control of voltage level and frequency), which become even more relevant in a more decentralised system with new elements (digitalisation, distributed generation, self-consumption...), demanding greater coordination among all agents.

All these aspects imply a clear need for new investments to tackle the challenges posed by the energy transition and, therefore, represent a clear opportunity for growth for the Company. It should be noted that these opportunities have also been identified for the Group's business in Latin America, where the development of the transmission grid will also be required to meet the challenges associated with the climate targets of the different countries.

In terms of telecommunications businesses, opportunities are identified that are linked to policies

focused on reducing the digital divide and improving the quality of connectivity in the territories.

Lastly, it is worth mentioning that the improvement in the performance

of the Group in matters related to the mitigation and adaptation to climate change can positively influence the Company's reputation, which could entail additional opportunities.

Transition opportunities for Redeia / **ESRS E1-9 p. 64 (c) / ESRS E1-9 p. 69 (b)**

New investments for the energy transition

Development of the existing grid: integration of newly installed renewable power capacity, interconnections, power supply for the high-speed train and support for enhanced electrification of society (investment in lines, substations, interconnections, protection systems and other grid infrastructure control and monitoring equipment).

- Type of impact: revenue.
- Time horizon: short-medium term.
- Quantification: high.

Development of energy storage in island systems.

- Type of impact: revenue.
- Time horizon: short-medium term.
- Quantification: high.

Development of infrastructure for the energy transition in Latin America.

- Type of impact: revenue.
- Time horizon: medium-long term.
- Quantification: medium.

New business opportunities associated with digitisation and increased connectivity

Development of infrastructure that promotes the reduction of the digital divide in telecommunications (digital satellite connectivity and broadband deployment).

- Type of impact: revenue.
- Time horizon: short-medium term.
- Quantification: medium.

Improvement of the reputation associated with Redeia's performance

Increase in share price.

- Type of impact: capital.
- Time horizon: medium term.
- Quantification: medium.

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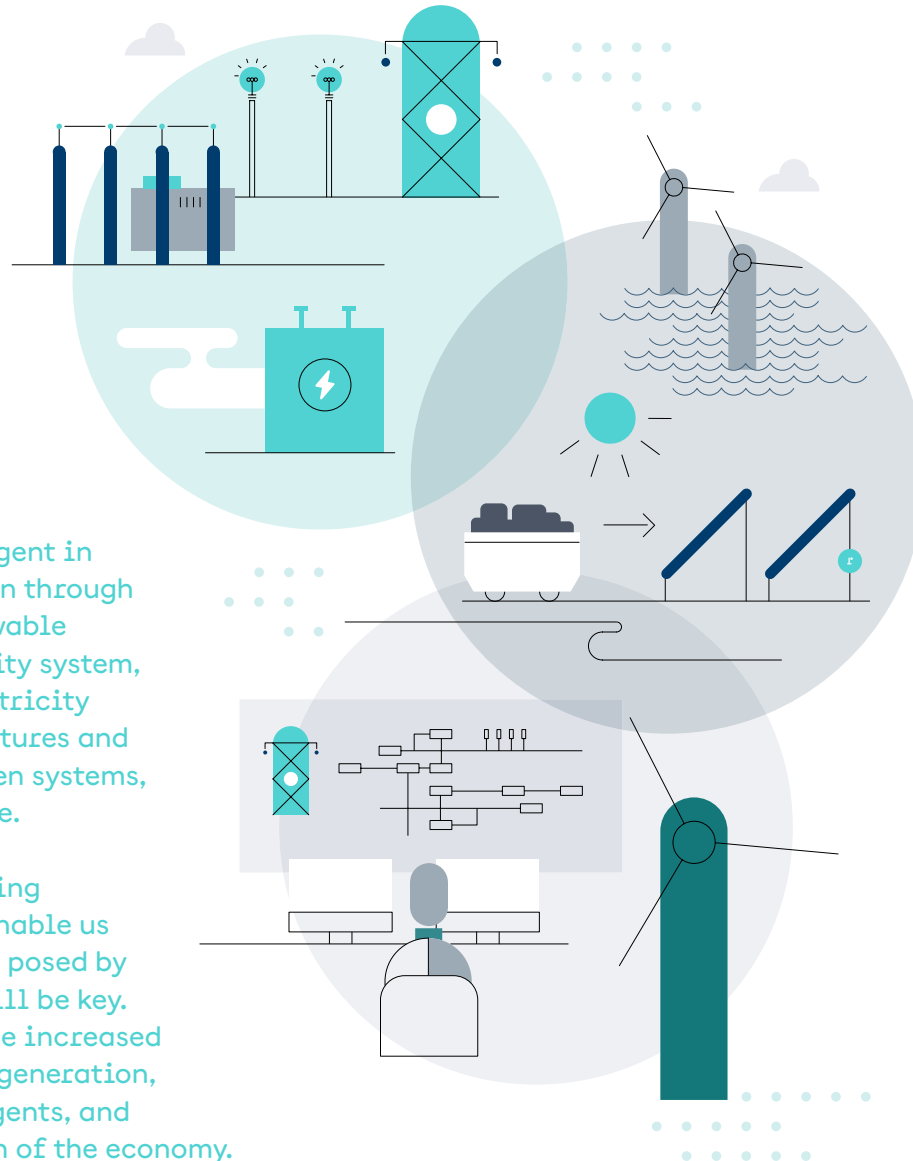
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Key Aspects

- Sustainable Grid Development
- Integration of Renewables
- System Flexibility



Redeia is an essential agent in the ecological transition through the integration of renewable energy into the electricity system, the development of electricity transmission infrastructures and interconnections between systems, as well as energy storage.

To achieve this, developing new technologies that enable us to tackle the challenges posed by the new energy model will be key. These challenges include increased volatility of renewable generation, the emergence of new agents, and a greater electrification of the economy.

Our Value Creation Model

1 We identify the RISKS

- Regulatory changes.
- Loss of technical and technological standing within the industry.
- Disruptions in power supply.
- Delay in the commissioning of facilities.
- Political and/or regulatory instability in third countries.

2 We seize OPPORTUNITIES

- Consolidation of the group's strategic role in decarbonisation objectives.
- Assumption of a pivotal role among various stakeholders within the electricity system to facilitate the integration of renewables.
- Promotion of storage projects through the model of the Salto de Chira pumped hydroelectric power plant.
- Progress in our involvement in developments for offshore wind power generation.
- Progress in the development of batteries for integration into the transmission grid.
- Contribution to the energy transition in Peru, Chile, and Brazil.

3 We maximize positive IMPACTS

- Access, availability, and guarantee of electrical supply.

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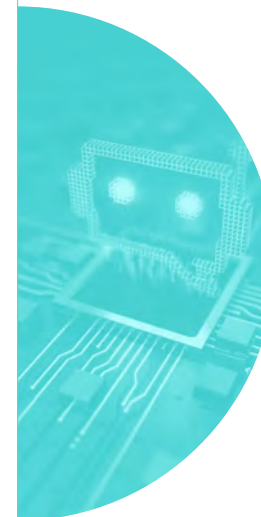
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4.1 Sustainable Grid Development



4.2 Integration of Renewable Energy

4.3 System flexibility: new system operator tools



4.4 Electricity Clients

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Key Indicators in 2023

157 kilometres of new lines and 143 new substation bays.

€744.6 million invested in the transmission grid.

4.1

Milestones 2023

Final release of the pan-European electricity infrastructure plan (TYNDP2022).

Commissioning of the subsea link between Ibiza and Formentera.

Challenges for 2024

Significant progress in the Bay of Biscay and La Gomera-Tenerife subsea links and commissioning of the interconnection with Portugal.

Final Scenario Report for the European Ten-Year Network Development Plan 2024.

Publication of grid development plans for offshore wind power generation.

Identification of European System Needs Report 2024.

4.1 Sustainable Grid Development / 203-1

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2021-2026 Electrical Planning

EU10

In February 2019, the 2021-2026 Electrical Planning process began following the publication of Ministerial Order TEC/212/2019 of February 25th. This order establishes the guiding principles for this process, which include some innovative aspects:

- Compliance with the commitments outlined in the target scenario of the National Integrated Energy and Climate Plan 2021-2030 (PNIEC).
- The transfer of renewable energies to the grid in areas with a high number of renewable resources and environmentally feasible exploitation and transmission of generated energy.
- Maximising the use of the existing grid by renewing, expanding capacity, utilising new technologies, and finding new uses for existing facilities.

The research phase began in June 2019. Red Eléctrica, as the System Operator, presented the initial proposal for the development of the transmission grid to the Ministry for Ecological Transition and the Demographic Challenge (MITERD) in December, meeting the established deadlines. After this, MITERD will oversee the following steps of the process, which involve participation by the National Commission of Markets and Competition (CNMC), the autonomous communities and cities, as well as system stakeholders, in the public information process.

In December 2021, after being awarded the Strategic Environmental Assessment issued by the MITERD's environmental area, the proposal was consolidated into the Transmission Grid Development Plan. Finally, the electricity Transmission Grid Development Plan was forwarded to the Council of Ministers to be submitted to the Congress of Deputies prior to its approval on 22 March 2022, and publication in the Official State Gazette (BOE) on April 19.

The 2021-2026 Electrical Planning is published on our [website](#). ↪



With a €6.964 billion investment, the 2021-2026 Electrical Planning is a strategic tool for the development of essential infrastructure, ensuring Spain's sustained access to high-quality electricity while it advances the decarbonisation of its energy model.



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The 2021-2026 Electrical Planning anticipates that 67% of the national electricity mix will be generated from renewable sources, resulting in a 66% reduction in CO₂ emissions in the electricity industry, along with an annual cost savings of €1.6 billion in system expenses.



Key Aspects of the 2021-2026 Electrical Planning

- Projects aimed at developing new transmission grid infrastructures to ensure electricity supply, focusing on the electricity system's economic efficiency and sustainability.
- Physical, technological, and environmental feasibility.

- Developing interconnections between electricity systems.
- Maximising the use of the existing grid.
- Increasing the integration of renewable energy generation.

ENTSO-E TYNDP pan-European electricity infrastructure plan and Projects of Common Interest (PCIs)

Every two years, ENTSO-E, the European Network of Transmission System Operators, produces a non-binding Ten-Year **Network Development Plan (TYNDP)** describing the future evolution of the European electricity system.

In May 2023, ENTSO-E published the final version of the 2022 Ten-Year Plan, including an executive summary of key conclusions and a report identifying system needs, which outlines how the system should evolve by 2030 and 2040 to maximise value creation for Europeans.



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More detailed information about the company's participation in ENTSO-E can be found in the chapter on **Relationship with The Environment** ↻ of this report.

About to the projects considered in the TYNDP 2020, in June 2022, the European Union approved Regulation (EU) 2022/869, which has been applied to develop the 6th list

(1st list of Projects of Common Interest and Projects of Mutual Interest PCI/PMI). This first list of PCI/PMI projects was adopted by the European Commission on 28 November 2023, and will be approved by the European Parliament in 2024. These are energy infrastructure projects necessary for the development of priority corridors or areas in the European Union. Such projects may benefit from enhanced regulatory conditions, simplified processing procedures, increased public participation through public consultations, reduced administrative costs, potential grants for studies, and, on rare occasions, for actual implementation, as well as the opportunity to access specialised financing under the so-called Connecting Europe Facility funding. The 1st list includes four projects promoted by Red Eléctrica along with neighbouring TSOs:

- Interconnection between Aquitaine (France) and the Basque Country (Spain) (Bay of Biscay project).
- Interconnection between Aragon (Spain) and Pyrénées-Atlantiques (France).

- Interconnection between Navarra (Spain) and Landes (France).
- Portugal-Spain Interconnection, between Beariz-Fontefría (Spain), Fontefría (Spain)-Ponte de Lima (Portugal), and Ponte de Lima-Vila Nova de Famalicão (Portugal), including substations in Beariz (Spain), Fontefría (Spain), and Ponte de Lima (Portugal).

Implementation in ENTSO-E of the European Resource Adequacy Assessment (ERAA)

ERAA conducts a comprehensive pan-European assessment to monitor the adequacy of electric system resources up to 10 years in advance. It is based on state-of-the-art methodologies and probabilistic assessments, with the aim of modelling and analysing potential events that may negatively impact the balance between electrical energy supply and demand. It is an important element to support informed decision-making by stakeholders on strategic issues, such as the introduction of capacity mechanisms.



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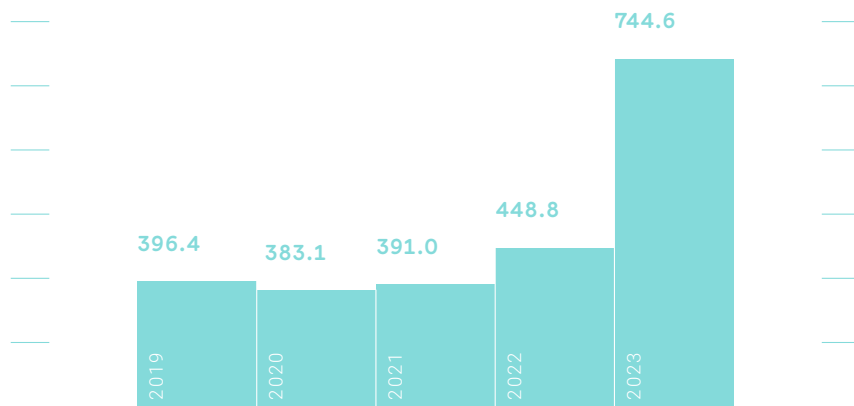


In 2023, work was carried out on the third edition of the ERAA, ERAA 2023, which was published in December 2023. This edition analyses the years 2025, 2028, 2030, and 2033. Additionally, progress has been made on a national-level adaptation of the ERAA methodology by participating in the development of a national coverage analysis, NRAA.

Construction of the Transmission Grid EU4

In 2023, investments in the transmission grid have mainly addressed supply security and the resolution of technical restrictions, interconnections between electricity systems, and the accesses for renewable energy transfer.

Investment in the Transmission Grid / €M



NEW LINES
157
km

and 143 new substation Bays commissioned by Red Eléctrica in 2023



During this year, the company has commissioned 157 km of new line circuits and 143 new substation bays. It has also increased transformation capacity by 760 MVA, with a combined investment of €744.6 million in the transmission grid.

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Noteworthy actions for the development of the transmission grid in 2023

Capacity Increases	Upgrading of support structures to increase the transmission capacity of existing lines. In 2023, power upgrades were carried out on 265 km of lines, with further upgrades scheduled for 661 km of lines in 2024.	2021-2026 Electrical Planning
Reactance	Actions were undertaken to address technical restrictions associated with voltage control. The 2021-2026 Electrical Planning includes actions encompassed within Operational Needs, involving the installation of 14 new reactances between 2021 and 2026.	2021-2026 Electrical Planning
Renewal of Transmission Grid Assets	Actions included in the 2021-2026 Electric Planning, under Operational Needs, amount to €346 million. These measures are aimed at ensuring the safety and continuity of supply against ageing, technological obsolescence, and spare part unavailability, as well as promoting the integration of renewables or avoiding potential environmental impacts.	2021-2026 Electrical Planning
Special Regime Transfer (Evre)	Commissioning of new bays for renewable energy transfer. As a result of Royal Decree-Law 15/2018 on urgent measures for energy transition and consumer protection, the volume of access requests has significantly increased.	2021-2026 Electrical Planning
Ibiza - Formentera Interconnection	Construction of a 132 kV underground-subsea transmission line to interconnect the islands of Ibiza and Formentera, thus reinforcing the transmission grid between islands. In April 2023, the Formentera substation was commissioned, followed by the interconnection cable in May.	Commissioning in 2023
Madrid Este Plan	Its purpose is to update the transmission grid meshing and support the distribution grid. In December 2023, the two 220/400 kV power plants at the San Fernando substation were commissioned. In 2024, progress will be made in administrative processing and construction of a 3.2 km circuit connecting to the substation.	Commissioning scheduled for 2024
Galicia - Portugal Interconnection	Increase in the exchange capacity with Portugal available to the Iberian Electricity Market (MIBEL) to support the integration of existing and future renewable energy sources in the Iberian Peninsula, avoiding spills and improving Spain's interconnection level, in line with the objectives set by the EU.	Commissioning scheduled for 2024

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Noteworthy actions for the development of the transmission grid in 2023 / continued

Puerto del Rosario - Gran Tarajal

It is intended to reinforce the Fuerteventura grid, as well as to integrate renewables and resolve technical restrictions. In November 2023, the Gran Tarajal substation was commissioned along with the 132/66 transformer for connection to the existing 66 kV power plant. The 88.6 km circuit line from Pto. del Rosario to Gran Tarajal is scheduled to be commissioned in 2024.

Commissioning in 2023 and 2024 forecast

Buenos Aires

This initiative was driven by the need to reinforce the grid meshing in response to the growing demand for existing electrical energy in the Santa Cruz area on Tenerife island. In December 2023, the Buenos Aires substation was commissioned.

Commissioning scheduled for 2024

Hospitalet-Cerdá-Aeropuerto

Its aim is to increase the 220 kV transmission grid meshing in the area, ensuring an overall improvement in transmission efficiency and support for demand supply and resulting in a reduction in grid losses throughout the system. In December 2023, the Cerdá substation and the Cerdá-Hospitalet line were commissioned.

Commissioning in 2023

DS 198 Project: Expansion of the Centinela substation and sectioning of the 2x220 kV Cobre - Esperanza line

Order from the Ministry of Energy as part of the expansion plan for construction works on the national transmission grid, aimed at the integration of renewable generation. Stage 2.

Scheduled for 2024

Sierra Gorda Solar Project

Integration of the largest photovoltaic power plant in Chile into the National Electric System through its connection to the Centinela substation.

Though currently in operation, its maximum capacity will be reached once the photovoltaic power plant has been built



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Noteworthy actions for the development of the transmission grid in 2023 / continued

Minera Centinela District Project	Transmission works undertaken to ensure renewable energy supply for mining operations.	Stage I completed in August 2023. Stage II pending award
Expansion of SS Bars in Nueva Pozo Almonte	Order from the Ministry of Energy as part of the expansion plan for construction works on the national transmission grid, aimed at the integration of renewable generation.	18 months after publication in the Official Gazette
Expansion of SS Bars in Nueva Pozo Almonte	Technical Advisory Service aimed at identifying potential locations for the placement of future photovoltaic plants or Battery Energy Storage Systems (BESS).	Stage I completed in October 2023

Interconnection with France across the Bay of Biscay

The new interconnection with France aims to further increase the capacity for interconnection with Europe in order to achieve common energy objectives.

The project comprises a 393 km double submarine link for direct current transmission, with 300 km of the cable laid underwater and a power of 2,200 MW. This project, which is scheduled for

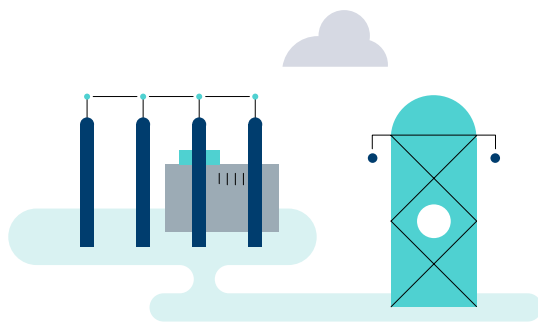
commissioning in 2027, will increase the energy exchange capacity with the European electricity system to 5,000 MW.

Regarding project processing, Red Eléctrica obtained the Environmental Impact Statement in December 2022, while the Prior Administrative Authorisation and the Administrative Authorisation for Construction are still pending and expected to be obtained

in the first semester of 2024. RTE, on the other hand, already has all necessary authorisations.

Meanwhile, since mid-2023, the main contracts for engineering, manufacturing, and construction of the project have been awarded.

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Peninsular and Non-Peninsular Transmission Grid

	2021	2022	2023
Length of 400 kV circuit in kilometres	21,768	22,013	22,057
Length of 220 kV circuit in kilometres	20,068	20,108	20,139
Length of 150-132-110 kV circuit in kilometres	753	768	843
Length of <110 kV circuit in kilometres	2,098	2,095	2,102
Total circuit kilometres	44,687	44,985	45,141
400 kV bays	1,591	1,628	1,697
220 kV bays	3,377	3,423	3,475
150-132-110 kV bays	159	165	186
<110 kV bays	978	998	999
Total substation bays	6,105	6,214	6,357
Transformer capacity (MVA)	93,496	94,221	94,981

The 2021-2026 Electrical Planning includes a new concept called "Renewal of Transmission Grid Assets". These works may consist of partial or total renovations (the registration of the new asset implies the de-registration of the old one) of existing actions.

Note: the lack of consistency between the total figures and the sum of the partial data is due to rounding of decimal places.

(1) Provisional data pending audit (currently underway).



The new Interconnection with France increases the interconnection capacity with Europe to achieve common energy objectives.



Length of line circuits in kilometres⁽¹⁾ / km

	Iberian Peninsula	Balearic Islands	Canary Islands	Total
Overhead lines (km)	40,653	1,113	1,260	43,027
Subsea cable (km)	265	636	45	945
Underground cable (km)	624	227	318	1,169
Total	41,542	1,976	1,623	45,141

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Maintenance of the Transmission Grid

Red Eléctrica ensures that transmission grid facilities are in optimal availability and reliability conditions through the

implementation of sustainable, efficient, and safe maintenance policies. To achieve this, the company establishes an annual maintenance program.

Noteworthy maintenance actions in 2023

Asset Management Macroprocess

Continuous improvement of the new asset management model consolidated in previous years, introducing improvements in O&M activity planning for 2024. Additionally, work continues on the development of health and degradation algorithms, driving our European-level partnership with Belgian operator ELIA through the joint definition of a new algorithm to assess impact and quantify risk.

SIMON

Our Comprehensive Asset Monitoring System (SIMON) has resulted in an increase of our real-time data capture capacity about the state and condition of substation equipment, allowing for early and precise detection of potential faults to optimise maintenance.

CMI² Comprehensive Facility Maintenance Center

Integration of new remote maintenance procedures, reducing travel to facilities and consequently, the associated electrical risk and CO₂ emissions. Additionally, remote fault resolution capability has been improved, and incident response times have been reduced.

Drones

Implementation of manual drone use in line inspection, and advancements in drone use for line inspection through automatic flights with scheduled missions aimed at anomaly detection using AI.

VEGETA

Multi-year management of vegetation in part of the territory (2024-2025 period), ensuring greater anticipation in obtaining permits and improved work planning.

OF Cables

Development of a procedure to extract insulating fluid from oil-filled (OF) cables, validated through pilot tests on inactive cables that confirmed its effectiveness.

Partial Discharge Monitoring

Increased monitoring of partial discharges to identify flaws in circuit insulation with insulated cables installed (prioritising the most critical locations), including automatic fault diagnosis through artificial intelligence.

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Redeia applies sustainable, efficient, and safe maintenance policies when managing its infrastructures to ensure that transmission grid facilities are in optimal availability and reliability conditions.



Service Quality EU28 / EU29

Our service quality indicators once again highlight the high level of safety and quality of supply provided by Red Eléctrica's facilities, well below the reference value set in current regulations.

Service Quality Indicators

	2021	2022	2023
Peninsular transmission grid			
Grid availability (%)	98.48	98.14	97.61
Energy Not Supplied (ENS) (MWh)	187.85	140.10	127.88
Average Interruption Time (AIT) (minutes)	0.407	0.313	0.293
Balearic Islands transmission grid			
Grid availability (%)	98.60	98.52	97.84
Energy Not Supplied (ENS) (MWh)	0.74	6.98	5.01
Average Interruption Time (AIT) (minutes)	0.070	0.607	0.439
Canary Islands transmission grid			
Grid availability (%)	99.23	98.69	98.93
Energy Not Supplied (ENS) (MWh)	32.54	414.57	24.05
Average Interruption Time (AIT) (minutes)	2.118	25.529	1.442



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4.2

Key Indicators in 2023

76 GW of renewable power installed in the national electricity system (61% of total power).

52.3% of electricity generation from renewable sources in the peninsular electricity system.

19.4% of electricity generation from renewable sources in the Canary Islands electricity system.

11.3% of electricity generation from renewable sources in the Balearic Islands electricity system.

Milestones 2023

New historical highs in instantaneous power, hourly energy, daily energy, and coverage of instantaneous demand from photovoltaic production, along with instantaneous power demand from wind production in the peninsular electricity system.

Historical low in electricity generation from coal-fired power plants.

New historical highs in instantaneous power, hourly energy, daily energy, and coverage of instantaneous demand from wind and photovoltaic electricity generation in the Canary Islands electricity system.

New historical highs in instantaneous power, hourly energy, daily energy, and coverage of instantaneous demand from photovoltaic and renewable electricity generation in the Balearic Islands electricity system.

Completion of the onshore sections for intake and discharge of the seawater desalination plant and beginning the construction of the main and secondary access tunnels of the Salto de Chira power plant.

Challenges for 2024

Continue working towards integrating renewable energies without compromising the system's security.

Complete the seawater desalination station at the Salto de Chira power plant and begin the works on the water intake pool and the emission-immission pipeline in the marine section.

4.2 Integration of Renewable Energy

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The core mission of the operation of the electricity system is to ensure the safety and quality of the electricity supply, maximising the integration of renewable energies, with the aim of helping provide a safe, efficient, and sustainable electricity supply to citizens.

Integration of Renewable Energies

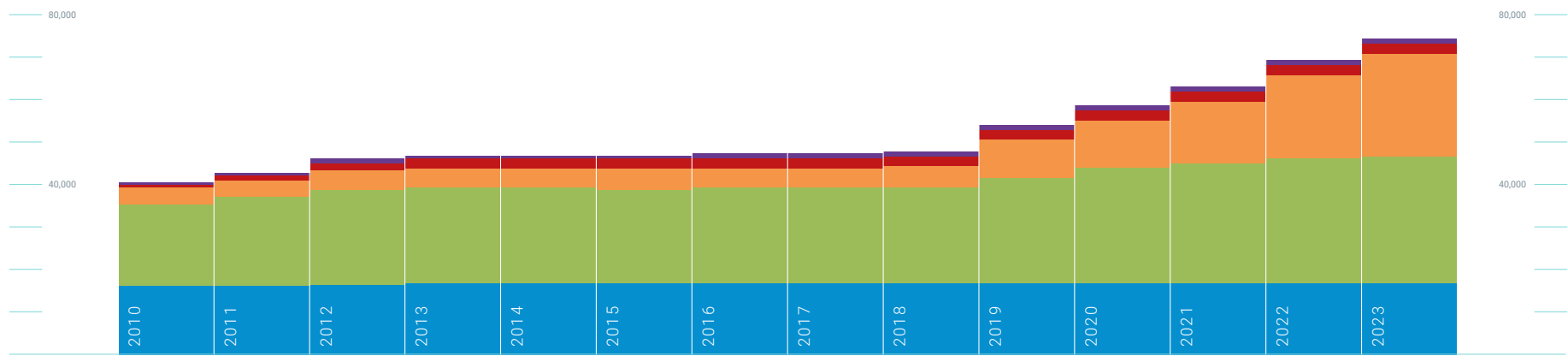
In recent years, Red Eléctrica has successfully faced the challenge of integrating a strong contingent of



Red Eléctrica makes available all the necessary resources for the integration of renewables with the aim of enabling access to and connection of new facilities, always in compliance with the technical and administrative requirements established in current legislation.



Evolution of installed renewable power capacity / MW



(1) Includes biogas, biomass, geothermal, marine hydro, wind-hydro, and renewable waste.

● Hydroelectric ● Wind power ● Solar photovoltaic ● Solar thermal ● Other renewables (1)

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Red Eléctrica's Renewable Energy Control Center (CECRE) continues to be a pioneering and globally recognized centre integrating renewable energies.



new renewable power, as a result of the energy transition driven by the Ministry for Ecological Transition and the Demographic Challenge (MITERD), as well as the ambitious National Integrated Energy and Climate Plan (PNIEC).

The installed renewable power capacity increased by an additional 5.3 GW in 2023, which has led to an installed renewable power capacity of 76 GW in the Spanish electricity system. This represents 61% of the total installed capacity.

The integration of this new renewable power, mainly wind and photovoltaic, is a major boost to the energy transition and the achievement of the integration journey outlined in the National

Integrated Energy and Climate Plan (PNIEC), with a horizon of 2030.

Peninsular Electricity System

The control and supervision work carried out by Red Eléctrica's Renewable Energy Control Center (CECRE) is essential to enabling the operation of an electricity system with such a high penetration of renewable energies under safe conditions.

CECRE's efforts have made it possible to set new historical highs of instantaneous power, hourly and daily energy, and coverage of instantaneous demand from photovoltaic and wind power generation in 2023.



Peak values in the peninsular system (2023)

	Photovoltaic generation	Wind power generation
Instantaneous power	15,788 MW (02/08/2023 at 1:27 PM)	20,897 MW (09/03/2023 at 8:35 PM)
Hourly energy	15,687 MWh (02/08/2023, H14)	20,886 MWh (28/12/2020, H15)
Daily energy	164,352 MWh (05/05/2023)	423,544 MWh (08/12/2021)
Coverage of instantaneous demand	70.1% (08/04/2023 at 1:06 PM)	83.6% (28/12/2021 at 3:03 AM)

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In line with previous years, the significant contribution of wind power generation is worth mentioning. With its share of total energy production reaching 24.2%, this technology takes first place in terms of the role of different types of energy in meeting demand. Similarly, in the months of January, February, March, April, May, October, November, and December of 2023, wind power generation was the technology with the highest contribution to total electricity generation in the peninsular electricity system, reaching 32.2%, 22.3%, 28.6%, 23.5%, 26.1%, 29%, 33.6%, and 27.1%, respectively.

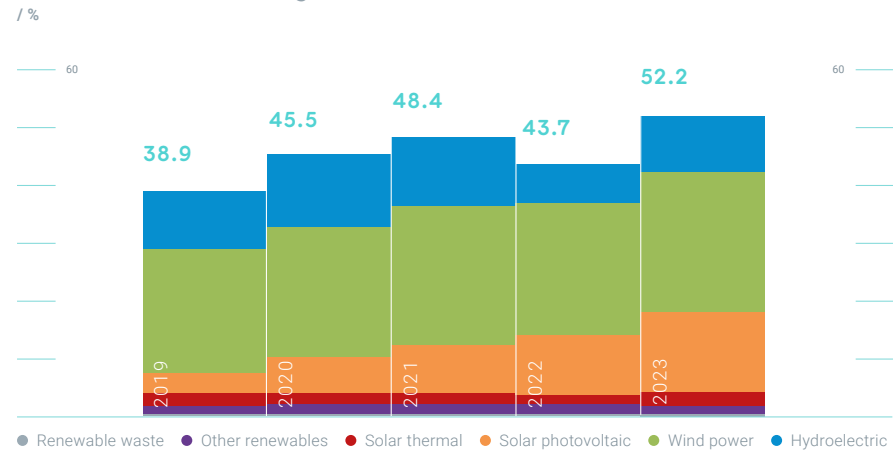
In 2022, the system operator introduced the new Automatic Power Reduction Service (SRAP). This system allows us to reduce the need for power restrictions in the face of contingencies in facilities enabled to provide this service, thus promoting the integration of renewable energies into the system. The total power enabled by the end of 2023 as part of the SRAP service amounts to 38,983 MW.



In 2023, electricity generation from renewable sources accounted for 52.2% of total energy production in the Spanish peninsular electricity system.



Peninsular renewable generation



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Likewise notable is the decrease in electricity generation from coal-fired power plants. The contribution of these facilities amounted to 1.5% in the peninsular electricity system in 2023. This fact plays a part in reducing CO₂ emissions into the atmosphere and represents a step toward to achieving decarbonization goals. From 2015 to the present, CO₂ emissions associated with national electricity generation have been significantly reduced, decreasing from 77.6 million tCO₂ eq. in 2015 to 32 million tCO₂ eq. in 2023.

Balearic Islands Electricity System

The energy transferred from the peninsula to the Balearic archipelago through the HVDC Peninsula-Balearic link covered 24% of the islands' demand in 2023, reaching peaks of up to 43% of hourly consumption. This resulted in about 14% savings in the Balearic electricity system coverage costs and enabled 21% of the demand to be met with renewable generation.

In 2023, electricity generation from coal amounted to 70 GWh, representing only 1% of demand coverage due to the limitation of 500 hours per year for units G3 and G4 of the Alcudia II CT.

Installed solar photovoltaic power capacity in the Balearic Islands has

grown to 321 MW from 229 MW in 2022, representing an increase of 40% over the year 2023. Renewable electricity generation accounted for 11.3% of total production in the Balearic system, a 53% increase compared to 2022.

Canary Islands Electricity System

The installed wind power generation capacity in the Canary Islands has increased from 573.3 MW to 640.3 MW in the past year, representing an 11.7% increase. The installed solar photovoltaic generation capacity has grown to 233.3 MW from 205.3 MW in 2022, representing a 13.6% increase over the year 2023. While renewable energy generation accounted for 19.4% of the total generation



Peak values in the Balearic Islands system (2023)

	Photovoltaic generation	Wind power generation
Instantaneous power	218.1 MW (07/08/2023 at 1:50 PM)	241.8 MW (07/08/2023 at 2:00 PM)
Hourly energy	199.3 MWh (07/08/2023, H14)	221.5 MWh (07/08/2023, H14)
Daily energy	1597.0 MWh (07/08/2023)	2128.2 (07/08/2023)
Coverage of instantaneous demand	38.9% (05/11/2023 at 12:20 PM)	44.3% (05/11/2023 at 12:20 PM)

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mix in the Canary Islands, 0.7% down from 2022 despite similar renewable energy generation in both years, demand increased by 2.6% in 2023 compared to 2022.

For the island of El Hierro, a particularly significant electricity system due to the presence of the Gorona del Viento hydro-wind power plant, the highest renewable integration was recorded in July, when it reached 61.6%, achieving 34.8% for the entire year.



Energy Storage

According to Law 17/2013, Red Eléctrica is the company responsible for developing energy storage projects through pumped hydroelectric power plants, aimed primarily at ensuring supply reliability, system security, and integrating non-manageable renewable energies into isolated electricity systems.

Peak values in the Canary Islands system (2023)

	Gran Canaria	Tenerife	Lanzarote-Fuerteventura
Instantaneous power from wind power generation	263.30 MW (14/08/2023 at 9:12 PM)	209.79 MW (07/01/2022 at 5:28 PM)	79.8 MW (27/07/2022 at 7:42 PM)
Instantaneous power from photovoltaic generation	73.55 MW (06/08/2023 at 1:44 PM)	101.10 MW (07/09/2013 at 12:42 PM)	23.33 MW (01/07/2022 at 1:55 PM)
Hourly wind power generation	255.61 MWh (14/08/2023, H21)	204.76 MWh (07/01/2022, H17)	73.85 MWh (27/07/2022, H19)
Hourly photovoltaic generation	72.84 MWh (06/08/2023, H13)	99.71 MWh (08/04/2022, H13)	22.6 MWh (22/09/2022, H13)
Daily wind power generation	4,960.9 MWh (03/08/2023)	4,425.4 MWh (14/07/2023)	1,342.47 MWh (27/07/2022)
Daily photovoltaic generation	664.2 MWh (05/08/2023)	759.7 MWh (30/05/2016)	296 MWh (04/01/2023)
Hourly renewable generation	291.80 MWh (03/08/2023, H14)	288.24 MWh (04/03/2022, H13)	90.34 MWh (29/07/2022, H13)
Coverage of instantaneous demand	62.91% (03/08/2023 at 4:00 PM)	65.75% (14/04/22 at 12:05 PM)	43.6% (29/07/2022 at 1:40 PM)

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With an investment exceeding €600 million, the Salto de Chira project envisions the construction of a 200 MW pumped hydroelectric power plant (approximately 36% of Gran Canaria's peak demand) and 3.5 GWh storage, a seawater desalination plant (EDAM), the associated subsea works, and the necessary facilities for its connection to the transmission grid.

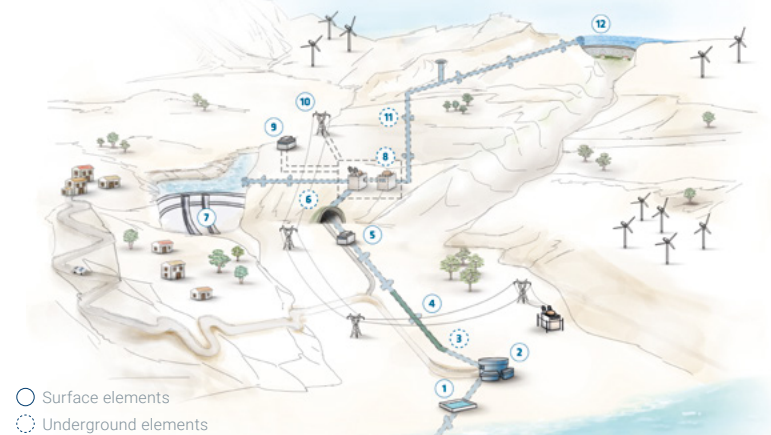


Salto de Chira Pumped Hydroelectric Power Plant

The Salto de Chira power plant project is a critical element in maximising the integration of renewable energies into the Gran Canaria electricity system by storing surplus generation from non-manageable renewable sources, which will occur when production of this type of energy is high. In conclusion, facilities like the Salto de Chira power plant enable progress towards a more sustainable and efficient energy model,

Key Elements of the Salto de Chira Pumped Hydroelectric power plant

- | | |
|---|---|
| 1 Seawater intake pool | 7 Soria dam |
| 2 Seawater desalination plant (including pumping station I) | 8 Power plant cavern and transformer cavern (including a 220 kV substation) |
| 3 20 km pipeline for desalinated water | 9 Control and auxiliary services building |
| 4 Tourist path | 10 220 kV power line |
| 5 Pumping station II for desalinated water | 11 Hydraulic circuit |
| 6 2 km access tunnel to the power plant | 12 Chira Dam |



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especially in isolated or weakly interconnected systems such as the Canary Islands.

Regarding construction progress on the project infrastructures, work continues as planned on the seawater desalination plant (EDAM) in the area closest to the shore. As for the Santa Águeda electrical substation, the scheduled expansion

to enable connection to the power plant grid has commenced.

Additionally, progress has been made in the construction of linear infrastructures, which serve as the junction point between the existing facilities and the pumped hydroelectric power plant at higher elevations within the project. On the other hand, for the infrastructure related to the 220 kV Santa Águeda-Chira Soria power line, both civil construction work and the assembly and lifting of 34 struts have been



The Salto de Chira Pumped Hydroelectric Power Plant in figures



3.5 GWh
Storage



>20%
Reduction in CO₂ emissions



51%
Renewable energy penetration by 2026



Over **100,000**
engineering hours



200 MW
Wind turbine power



Over **6,500**
Jobs nationwide



0.7%
GDP of the Canary Islands



2.7 Hm³
Of water produced annually



>600 M€
Planned investment



122 M€
Variable generation cost savings



Almost **6,000**
Jobs in the Canary Islands

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The design and construction of the Salto de Chira pumped hydroelectric power plant is carried out using VDC (Virtual Design & Construction) technology, which optimises design and construction processes and allows for quick and secure implementation of improvements.



completed (9 of them using a helicopter).

It is estimated that the complete laying of the power line will take place during the year 2024.

Lastly, in the area where the reversible pumped hydroelectric power plant will be located, work has begun on

the underground construction of the main access tunnel (TAP) and secondary tunnel (TAS). Additionally, drilling works have started in the Chira and Soria areas to verify the initial geotechnical survey and prepare all access points at both reservoirs.

Salto de Chira, A Social and Innovative Project

The new power plant infrastructure will serve the people of Gran Canaria, driving progress by enhancing the integration of water and energy resources and realising sustainable development of the island by storing, desalinating, preserving the environment, creating jobs, and providing energy in an environmentally friendly manner. As for the latter point, the strict environmental controls conducted by the authorities position the project as a benchmark in terms of sustainability criteria and biodiversity preservation.

Salto de Chira stands out as a project with a markedly innovative character. As a proof of this, the design of the Salto de Chira reversible pumped hydroelectric power plant by Red



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Eléctrica was registered as a patent by the Spanish Patent and Trademark Office in March 2022, highlighting its contribution to technological innovation in flexible energy storage and the safe integration of renewables into electricity systems. The patented design provides this storage facility with continuous power regulation and control capacities across its entire operating range, from its peak in turbine mode to its low in pumping mode.

The power plant project integrates sustainability criteria from the earliest design phases. An example of this is the design of the main control building according to LEED certification standards, which reward the use of sustainable strategies in all building construction processes, from site preparation to water and energy efficiency, among other aspects.

As one of the most representative measures in terms of the project's positive impact on sustainability, it is worth noting that Red Eléctrica will undertake a complete restoration

of the Arguineguín Ravine's public water area within the project scope, replacing invasive exotic species with native species. To achieve this, a plant nursery was installed on-site in 2023, with the aim of growing over 6,500 specimens of the most representative taxa in the area (*Salix canariensis*, *Tamarix canariensis*, *Phoenix canariensis*, etc.).

Also worth mentioning are the sustainability-related actions carried out by the company in 2023, including:

- Training 407 unemployed individuals in the necessary knowledge for the construction of the new hydroelectric power plant, increasing the participants' specialisation and, therefore, employability.
- Creation of the neighborhood manager role, promoting an atmosphere of closeness, transparency, and trust through constant information exchange between citizens and the Company.
- Economic revitalisation of populated areas within the project

scope during the construction phase.

- Conducting tests using experimental treatments, such as endotherapy for the eradication of invasive exotic species in the public water area.
- Implementation of a zero-waste model in the project by shredding unsuitable plant species and donating them to farmers and neighbours.
- Certification of the project through environmental standards ISO 14001 and EMAS Regulation.



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- Construction of a water treatment plant in the secondary access tunnel to harness and reuse 100% of the water used during excavation.
- Conducting campaigns to reduce the risk of forest fires around the project by shredding vegetation cleared from the Arguineguín Ravine and raising awareness among contractors.

- Ensuring compatibility of the desalinated water pipeline route to avoid potential impacts on specimens of *Pimelia granulicollis* (granular bush cricket), an endangered species, and *Monilearia arguineguinensis* (Arguineguín snail), a native wild species.

Finally, it is also worth mentioning the positive impact that the commissioning of the Salto de Chira

pumped hydroelectric power plant will have on attracting tourist capital to the area.

Other Storage Projects

Red Eléctrica has developed other significant projects with the aim of integrating new storage technologies.

The OSMOSE project is particularly noteworthy. This European H2020 project aims to identify and develop the optimal combination of flexibility for the European electricity system to enable the energy transition. The project involves developing four large-scale prototypes to analyse the hybridisation of different storage technologies. The model led by Red Eléctrica involved designing and building a prototype hybrid electrical storage system (combining ultracapacitors and Li-ion batteries) to meet voltage and frequency control needs for the Canary Islands system. The project has been successfully validated upon completion.

Benefits of the Salto de Chira Pumped Hydroelectric Power Plant

- Increased integration of renewable energies.
- Increased water availability for primary sector needs (agriculture).
- Greater supply guarantee and security.
- Aquifer recovery, allowing us to restore ecosystems within the project area.
- Increased energy independence and cost savings.
- Positive social impact in terms of local employment and resource utilisation.
- Reduction of Greenhouse Gas (GHG) emissions.
- Promotion of the Canary Islands as a sustainable tourist destination.

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Key Indicators in 2023

27 ongoing R&D projects to improve the electricity system operator's tools.

16 interruptibility service providers in the Canary Islands' electricity system.

12 active demand response balancing service providers, with a total capacity of 497MW.

848 facilities and 37,908.3 MW enabled in the Automatic Power Reduction System (SRAP) service.

4.3

Milestones 2023

Approval of the new Operation Procedure 7.5 on the Active Demand Response Service.

Integration of over 2.1 TWh into the system thanks to the SRAP service.

Conducting of the auction for awarding the active response service for the year 2024. With a total of 609 MW assigned.

Challenges for 2024

Participation in the hybrid facility production market.

Launching the platform for coordination between the TSO and DSOs, aimed at exchanging relevant operational information.

Awards and Recognitions

Innovation in Renewable Energy Storage Award for the Year 2023, awarded by RENMAD to the HESSTEC RES+ project.

Best energy efficiency initiative of the year 2023, awarded by Periódico de la Energía to the DLR initiative.

4.3 System flexibility: new system operator tools

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Red Eléctrica, as the system operator, continues to actively work on promoting, developing, and disseminating initiatives that allow the current system operation to evolve by endowing it with greater intelligence to enable the energy transition.

The new energy model is characterised by a high presence of renewable energies and, therefore, greater variability in terms of generation. This will be accompanied by new flexibility resources in all elements of the electricity system (generation, grid, demand, and storage) to achieve this goal.

Transformation towards a more flexible operation

The new tools for system operation, based on digitalisation and the use of emerging technologies, enable greater integration of renewable energies and an improvement in efficiency, making the energy

transition possible, and achieving the goals set in this regard, aimed at reversing the process of climate change.

The system operator is involved in initiatives to improve demand forecasting, electrical planning, system controllability, and the provision and management of greater amounts of information to help with system operation.

The HESSTEC RES+ project stands out among these initiatives. It was granted the Innovation in Renewable Energy Storage Award 2023 by RENMAD. It is a pilot of a hybrid storage system (consisting of batteries and ultracapacitors) installed at the Barasoain experimental wind power plant owned by ACCIONA Energía, to test and validate controls implemented within the hybrid storage system



that help and provide flexibility to the system (power-frequency regulation control, synthetic inertia, POD - Power Oscillation Damping).

Active demand and services for the system

Balance services. Active demand response service

In 2023, Red Eléctrica continued its drive for demand participation in balance services by materialising it in a new operating procedure that consolidates this service as a specific balance product for the Spanish mainland territory. In order to support the necessary reserve to maintain response levels in situations that endanger the safety of the electricity system in the current context of high renewables integration, the new service is aimed at covering cases of relevant reserve increase needs within the system, as well as shortages of manually activated balance energies in the system, specifically tertiary regulation.



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Following the latest auction, the system will have additional flexibility provided by service providers for a total of 609 MW, in this case consisting of traders and direct consumers, with at least 1 MW demand. The service was awarded through an online auction with marginalist sealed bidding.

In 2020, the role of the independent aggregator was introduced into the Electricity Industry Law. Red Eléctrica included the development of this new role in its roadmap for the Internal Energy Market in Europe (IEM) in order to promote participation by this new actor as a flexibility provider by taking part in system adjustment services. During 2023, a review of the different implementation models for the independent aggregator has been conducted within the European regulatory framework offered by the new Network Code Demand Response in the hope

Noteworthy Actions in 2023 Related to Various Services for the Electricity System

SRAP

Noteworthy rehabilitation of a large number of facilities, exceeding 37 GW of enabled power across nearly 850 installations. This system allows for quick resolution of potential safety violations and reduces generation restrictions, thereby contributing to greater renewable integration through automatic action scheduling. Since its implementation, it has allowed for the integration of nearly 2,500 GWh of energy into the system that would have otherwise been spilled in the previous scenario.

VoltaiREE

Implementation system for a new voltage control mechanism and the launch of an additional reactive capacity market, which will optimise system voltage control and allow participating entities to offer all their available reactive capacity resources.

From February to July 2023, a Regulatory Demonstrative Project was carried out to continuously test VOLTAIRÉE, with 42 participants representing all technologies.

SRAD

Updating of the active demand response service through the approval of a new 7.5 operation procedure. This service allows demand participation as a system balance service provider to resolve deviations between system generation and consumption in situations of intensive use of tertiary regulation. The service review carried out in 2023 brings several improvements aimed at facilitating service provision conditions for demand.

DLR

This technology, which will be installed in 23 circuits (722 km) within the system, allows for continuous estimation of a circuit's transmission capacity based on the weather conditions it is subjected to.

Grid Forming Converter

Research on grid-forming control converters and their behaviour in scenarios with a high content of power electronics devices. A study has been conducted on the necessary amount of generation using this type of converters to ensure system stability in different cases.

ROAD2GFM

Analysis of the state of the art of grid-forming technology, studies on system stability to assess the impact of integrating this technology in order to propose regulatory developments regarding the technical capabilities that this technology should meet when integrated into renewable generation and/or storage systems with a power electronics interface.

ViSYNC

Real-scale project for the development and validation of an electronic synchronous compensator, based on a hybrid storage system combining lithium-ion batteries and ultracapacitors, with management carried out through a specific control system that allows it to operate in synchronous grid-forming mode. The new storage system will be connected to the high-voltage transmission grid in the Lanzarote electricity system and will operate as an integrated grid asset, strengthening the system to facilitate renewable integration. Its commissioning is scheduled for 2025.

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During 2023, within the European regulatory framework provided by the new Network Code Demand response, a review of the different implementation models of the independent aggregator has been completed.



that the approval of this Network Code will prove to be the definitive boost for the implementation of the independent aggregator in the Spanish peninsular electricity system. As usual, this process is approached by maintaining constant dialogue with stakeholders, through relevant public consultations and information shared in various forums.

Interruptibility service

Order IET/2013/2013, of October 31, 2013, introduced an allocating system of interruptible resources based on an auction procedure for the interruptibility demand management service. In 2023, no interruptibility auctions were held under this framework, so the service does not have any active providers in the peninsular system since 1 July 2020.

Instead, electro-intensive consumers can participate in the specific active demand balance response service (SRAD) through the use of traders. This mechanism is considered

temporarily more suitable until their full participation in balance services.

On the other hand, in the areas outside the Spanish mainland, the interruptibility service is offered by island providers under Order ITC/2370/2017. They offer Red Eléctrica a valuable resource for the operation of the electricity system in these territories.



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Key Indicators in 2023

8.9 overall satisfaction points in the customer perception survey conducted by Red Eléctrica.

4.4

Milestones 2023

16 webinars conducted with clients, with an average rating of 8.7.

Challenges for 2024

To maintain the level of interaction achieved with clients, better adapt the information provided, and continue the development of the Services Portal and redOS.

4.4 Electricity Clients

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Client Profile

EU3

The customers of Red Eléctrica are those organisations and companies that receive the services provided by the company and are grouped into the following broad categories:

- **Participants in the electricity market and in the economic dispatches of non-peninsular territories:** a total of 708, including both participants involved in organised markets and/or performing bilateral contracts including physical delivery of energy, as well as those involved in the technical-economic dispatches of non-peninsular territories. Particularly noteworthy among this set of clients are generators, distributors, consumers, traders, and representatives.

- **Regulatory bodies and public administration:** these should be understood as public bodies that legislate and regulate the activity of Red Eléctrica within their jurisdiction and/or compensate the company for the services provided. The Ministry for the Ecological Transition and the Demographic Challenge (MITERD) and the National Commission of Markets and Competition (CNMC) stand out in this group. They are responsible for regulating and evaluating management and, in the case of the CNMC, establishing compensation for regulated activities entrusted to the company. This group also includes the Energy Directorates of the different autonomous communities, which are tasked with regulation within their jurisdiction.

- **Other European operators and platforms:** operators and carriers of neighbouring electricity systems (France, Portugal, and Morocco), transmission grid managers, European energy trading market operators (OMIE, EPEX, and NordPool, among others), European platforms such as JAO, S.A., a company that performs



Transparency, neutrality, and proactivity are the foundation of customer management at Red Eléctrica.



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The system operator's Code of Conduct, revised in 2019, ensures compliance with transparency, independence, and confidentiality criteria.



the role of the European Office for Exchange Capacity Allocation Auctions (Single Allocation Platform, SAP), among others.

- **Recipients of other potential services:** third-party applicants for modifications to facilities and local operation services.
- **Citizens:** both individuals and legal entities (the general population) that expect Red Eléctrica to ensure supply continuity and guarantee as end consumers.

Transparency, Neutrality, and Independence

Within its structure, Red Eléctrica has a specific organisational unit that

exclusively performs the function of system operator and transmission grid manager, with the appropriate accounting and functional separation from the rest of Red Eléctrica's activities.

It should be noted that Red Eléctrica has a **system operator Code of Conduct**, revised in 2019. Its application ensures compliance with transparency, independence, and confidentiality criteria in its role as a system operator, both regarding the transmission activity carried out by Red Eléctrica and the other individuals and/or entities it interacts with.



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Bases for publishing information about market results and system operation processes

Legislation

- Regulation (EU) 543/2013 on Transparency.
- Regulation (EU) 1227/2011 on Wholesale Energy Market Integrity and Transparency (REMIT).
- Implementing Regulation (EU) 1348/2014 of the EC, of 17 December, on data reporting.
- Royal Decree 2019/1997, of 26 December, by which the Electricity Power Production Market is organised and regulated.
- Royal Decree-Law 6/2000, of 23 June, on Urgent Measures to Intensify Competition in Goods and Services Markets.
- Royal Decree 216/2014, of 28 March, which establishes the methodology for calculating the voluntary price to the small consumer of electricity and the legal framework for contracting it.
- Law 24/2013, of 26 December, regarding the Electricity Industry.

Information Platforms

e.sios

Aims to ensure compliance with the legal requirements for communication and publication of information.

There is a market participants website that can be accessed with a digital certificate at <https://participa.esios.ree.es> and a public website at <https://www.esios.ree.es>. Additionally, the public website allows users to analyse the evolution of services managed by the SO over time.

ENTSO-E Transparency Website

Since January 2015, Red Eléctrica has been sending 100% of electricity market data to the ENTSO-E transparency platform www.transparency.entsoe.eu as outlined in the Transparency Regulation.

IESOE Website

Red Eléctrica manages www.iesoe.eu, a regional information platform where the French, Portuguese, Moroccan, and Spanish electricity system operators jointly publish data on the capacity and usage of interconnections between these countries' electricity systems.

redOS App

Application for mobile devices that shows in real time the status of the Spanish electricity system through the monitoring of a series of relevant indicators on system operation.

Other Communication Channels

Voluntary Price to the Small Consumer (VPSC)

Since 2014, Red Eléctrica has included among its publications the information related to the VPSC, in compliance with the provisions of Royal Decree 216/2014, using external audit firms specialised in this area.

Iberian Electricity System Operation Monitoring Technical Committee (CTSOSEI)

This committee, organised bimonthly by the operators of the Spanish and Portuguese electricity systems (Red Eléctrica and REN, respectively), provides market participants and regulatory bodies with information on the operation of the Iberian Peninsula's electricity systems, the markets for adjustment services in Spain and Portugal's electricity systems, and energy exchanges through the interconnections of the Iberian electricity systems.

Reporting to ACER

In application of the Commission Implementing Regulation (EU) 1348/2014 of the EC, since April 2016 Red Eléctrica has been reporting to ACER the programme nominations using the exchange capacity assigned to participants, through long-term explicit auctions.

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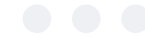


The company must publish information about the results of the electricity market and system operation processes, ensuring the confidentiality of data provided by market participants, in compliance with transparency and confidentiality criteria established in the applicable European and national regulations. Communication and publication

of information are carried out through various channels.

In addition to the ENTSO-E European Transparency Platform and the IESOE website, coordinated regionally with neighbouring system operators, Red Eléctrica has the e.sios public website and the redOS application. In 2023, a new section dedicated to international exchanges was developed on the website, along with a new search engine and other usability changes that reinforce the Spanish electricity system operator's commitment to transparency in the context of the implementation process of the European Internal Market for Electricity. These efforts will continue in 2024 with developments and reviews of the various components of the website, as well as adding new indicators to provide more information to the already high volume of data offered by the site.

Regarding the Transparency Platform, ENTSO-E is undertaking a project to redesign the architecture



and migrate the website to better support the large volume of information it contains, especially following the publications required by the European Electricity Balancing Regulation (EU) 2017/2195 and the corresponding Implementation Frameworks approved for the various European balancing platforms. It also includes improvements in the user interface. Additionally, ENTSO-E started the development of the Inside Information Platform (IIP) in September 2023, under ACER criteria and in compliance with the REMIT Regulation regarding the publication of network unavailability. The platform is scheduled to be operational by mid-January 2024.

Furthermore, Red Eléctrica participates in and leads working and/or monitoring groups aimed at increasing communication and transparency, such as the Incident Analysis Group (GRAI), the Iberian Electricity System Operation Monitoring Technical Committee



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(CTSOSEI), the Market Agents Committee (CAM), the Measure Monitoring Group, and the Planning Monitoring Group, among others.

Lastly, in 2023, an external review of the system operator control system was conducted, which involved the evaluation of processes and results associated with system operation activities under the ISAE (International Standard on Assurance Engagements) for the year 2021 and 2022. In all cases, and for both years, evaluators concluded that Red Eléctrica maintains, in general terms, an effective internal control system over these processes for the various geographic areas analysed (mainland Spain, Balearic Islands, Canary Islands, Ceuta, and Melilla). The evaluation process for the year 2023, carried out under the same standard, was launched in December.



In 2023, under the SERCLIENTE initiative, Red Eléctrica continued to carry out actions aimed at strengthening interaction and dialogue with its customers.



SERCLIENTE, Hand in Hand Towards The Energy Transition

Red Eléctrica has launched a new collaboration framework with its clients to address the industry's challenges posed by the energy transition.

its clients (generators, consumers, distributors, traders, promoters, associations, among others) to promote dialogue and customer focus by the company through a dynamic, flexible, and digital approach, focused on active listening to stakeholders' needs and expectations.

In 2023, under the SERCLIENTE initiative, Red Eléctrica continued to carry out actions aimed at strengthening interaction with



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'Connected to What Matters' is the purpose defined by Red Eléctrica to continue listening to its customers and provide the best response to their priorities. Our commitment is based on three pillars: exploring the essential, building through dialogue, and embracing the future.

redOS, The Energy Transition At Your Fingertips

The redOS application offers real-time information, both nationally and for the peninsular, Balearic, Canary, and Ceuta and Melilla systems. It allows users to obtain the most detailed data possible on the behaviour of the power system at every given moment and includes the following categories: power demand, generation, CO₂ emissions, installed capacity, energy exchanges, wholesale prices, and retail prices.

During 2023, redOS continued to evolve with the improvement of the information it provides, an increase in navigation capabilities, adjustments to regulatory changes, and responding to suggestions received from users.



Three noteworthy SERCLIENTE initiatives in 2023

Forums and conferences

The company has held 16 virtual webinars, which were notified through the System Operator's service portal or Red Eléctrica's website, to cover topics such as demand participation in balancing services through the new demand response service, European balancing platforms, and commissioning of facilities, among others.

Client area on the corporate website

Throughout 2023, this section has continued to compile supporting and customer assistance documentation, and currently contains over 350 documents.

Customer service portal for digital service management as a one-stop solution for submitting inquiries, proposing new ideas, participating in regulatory consultations, processing procedures for access and connection to the grid, commissioning of facilities, and more recently, managing electrical measurement services.

Internal Energy Market in Europe (IEM)

Roadmap for the Internal Market for Energy outlining the alignment of balancing services managed by the system operator. Of particular relevance was the public consultation on the implementation of the European balancing platforms MARI and PICASSO.

Evolution of system operation in coordination with distribution grid operators. Within this framework, a platform for information exchange between Red Eléctrica and Distribution System Operators (DSOs) has been designed and created in 2023. At the European level, work has been done on drafting the new Network Code Demand response.

Integration of renewable power

To continue the integration of renewable energy and within the framework of the new access and connection regulations, in 2023 Red Eléctrica published new guides, forms, and documents in accordance with the latest regulations developed, and conducted a forum and three webinars to facilitate understanding of grid access and commissioning.

System operation monitoring groups

In 2023, dialogue with the stakeholders was held through monitoring groups for various system operation activities, such as the Iberian Electricity System Operation Monitoring Technical Committee (CTSOSSEI), the working group with associations of renewable energy producers, the annual meeting with interruptibility consumers, and monitoring groups for Planning, Incident Analysis or Measure Monitoring.

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Red Eléctrica handles claims about its services by applying clear and precise transparency, complete objectivity, and non-discrimination criteria.



Incident and Claim Management and Satisfaction Surveys

Red Eléctrica manages claims about the services it offers and the impact of its activities by applying clearly and precisely defined transparency, complete objectivity, and non-discrimination criteria to ensure proper handling of claims.

To facilitate this process, on the e.sios website for structured data management and claims, individuals can directly file claims related to system adjustment service markets and international exchange scheduling managed by the system operator. Additionally, market participants can check the status of their claims and obtain information about their progress. Red Eléctrica also regularly publishes reports on the incidents

OVERALL SATISFACTION

8.9 out of 10

is the rating we achieved in our latest customer perception survey

identified, management of received claims and the adopted solutions on the same website.

Over the coming years, the implementation of a specific module for incident and claim management is planned for Red Eléctrica's customer service portal. Its aim is to update the technology and provide new functionalities to the application that allows users to file claims on adjustment services.



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QUALITY RATING

for services associated with system operation and energy transmission

8.4

Additionally, Red Eléctrica regularly carries out a perception survey aimed at its customers and business agents. In 2023, we conducted our latest survey, in which almost 200 clients and business agents were invited to participate.

The results provide an external customer perception index of 8.4, an overall satisfaction rating of 8.9 out of 10, and an overall satisfaction rating with the services provided of 8.1. A rating of 8.4 for the quality of the services associated with system operation and energy transmission is also worth noting. Based on the results and the analysis of the requirements and expectations gathered, the 2024-2025 Improvement Plan has been

developed. This plan, as well as the results achieved, are notified to the customers and business agents who participated in the study.

Main Indicators

	2021	2022	2023
Estimated number of claims related to adjustment service markets and international exchange scheduling	1	0	5
Estimated claims per TWh of energy managed in system adjustment service markets	0.05	0	0.17
Average response time to claims related to adjustment service markets and international exchange scheduling (business days)	1.83	3.6	1.9
Claim resolution rate (%)	100	100 ^(*)	100

(*) Data modified due to a claim received in 2023. / **ESRS 2 BP-2 p. 13 (a)** / **ESRS 2 BP-2 p. 13 (c)**.

NA. Not applicable.

(1) The external customer perception index is calculated based on the overall satisfaction rating and the overall rating of the services provided.

(2) Indicators resulting from the 2023 customer survey.

Customer and Market Agent Satisfaction Indicators (0-10)

	2018	2021	2023
Overall satisfaction level	8.7	8.7	8.9
External customer perception index (1)	NA	NA	8.4
Overall satisfaction level with services provided	8.2	8.2	8.1
Customer service	8.0	8.0	7.7
Rating of communication and information services (2)	-	-	7.4
Rating of activity development and collaboration services (2)	-	-	8.3
Evaluation of the quality of services associated with system operation and energy transmission (2)	-	-	8.4

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Key Aspects

- Optical Fibre Activity
- Satellite Activity

Through the dark optical fibre grid, Redeia acts as a neutral provider of telecommunications infrastructure for the main players in the industry and telecommunications operators in Spain.

Additionally, through its satellite fleet, the group offers communication services such as extending cellular networks, video and data content streaming, and connectivity for mobility services, among others.



Our Value Creation Model

1 We identify the RISKS

Regulatory changes.

Technological disruption and/or loss of standing due to the emergence of new business models.

Service disruptions.

Entry or consolidation of relevant operators in the wholesale fibre optic market.

Losses due to satellite failures or significant in-orbit incidents.

2 We seize OPPORTUNITIES

Review of our service portfolio based on customer needs.

Integration of artificial intelligence developments in customer service channels.

Development of customer information and communication platforms.

Utilisation of satellite capabilities for deploying new business segments.

3 We maximise positive IMPACTS

Access, availability, and guaranteed connectivity.

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5.1 Optical Fibre Activity



5.2 Satellite Activity

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Key Indicators in 2023

Over 52.200 km of fibre optic network.

49 out of the 50 provinces of Spain have dark fibre coverage.

41 interconnection points between the transmission grid and the railway network.

5.1

Milestones 2023

Start of construction of facilities outside the electrical and railway environments.

Approval of a proprietary governance model on sustainability matters.

Attainment of certification for the environmental management system, based on the UNE-EN ISO 14001 standards.

5.1 Optical Fibre Activity

Challenges for 2024

To make the necessary progress towards defining a Net Zero Emissions Plan by 2050.

To progress in the implementation of a Quality Management System.

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Reintel offers bespoke solutions for clients, building long-term relationships.



Reintel: solutions in a flexible and creative environment

Redeia's experience in the telecommunications market began in 1997, the year the sector was liberalised in Spain. Reintel provides a meshed and redundant fibre optic network with connections to island systems and international access. In this regard, the Company delivers custom solutions for clients through the operation and management of an extensive backbone fibre optic network and the provision of locations and technical spaces to house electronic equipment. Reintel is committed to innovation and continuous investment, aiming to deploy new infrastructure and renew and enhance existing facilities.

Since the beginning of its operations, Reintel's priority has always been to ensure high levels of service quality and availability for its clients, establishing itself as a benchmark provider for the main players in the

sector. Currently, Reintel has a solid customer base that includes the main telecommunications operators with a presence in Spain.

Reintel Services

Due to their unique characteristics, the networks of the electrical and railway environments can be combined and managed as if they were a single network. Thanks to this, Reintel offers its clients a more extensive network with national coverage and redundant, secure, efficient, and easy-to-operate routes.

Through its dark fibre offering, Reintel provides tailor-made solutions to its clients and supports them in their growth and development, building long-term relationships. During 2023, Reintel continued on its growth trajectory through the marketing of dark fibre to both new and existing clients, succeeding in increasing and strengthening the communication networks made available to its end customers.

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Over 52,200 km of dark fibre network across Spanish territory and 45 provinces with dedicated cable.



Reintel Solutions

Key Factors for Reintel

CUSTOMER ORIENTATION

EXCELLENCE

NEUTRALITY

EXPERIENCE

Backbone Network

Characteristics:

- The same security and reliability required for telecommunications services for electrical and railway services.
- Interconnection with other customers, as well as with national or international external networks (France, Portugal, Morocco, and Andorra).
- Meshed network with redundancies, offering highly resilient communication networks.
- Coverage that allows customers to achieve maximum efficiency in designing and deploying their telecommunications networks.

Dedicated Cable

Characteristics:

- Greater granularity in customers' networks with the dedicated cable solution, allowing traffic insertions and extractions to and from the backbone network.
- Guarantee of the highest levels of service, necessary for the management of the communications network.
- Custom deployment, including the provision of new interconnection points that connect with the current ones.
- Interconnections between different customers.

Locations

• **Telecommunications parks.**

Locations situated in the railway environment that allow customers to regenerate the signal and insert or extract traffic that transits through the network.

• **Telecommunications huts.**

Locations situated next to electrical substations and high-voltage towers. Their main function is signal regeneration.

Bespoke Comprehensive Projects

Bespoke comprehensive dark fibre projects are tailored to customer needs and can be multi-site projects, connectivity with neutral points, data centres and submarine cables that land on the Iberian Peninsula, integration of networks and redundant rings, among others.

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Customer Service

Reintel has its own permanent monitoring and support centre (24 hours a day, 7 days a week) that controls and monitors the network status and handles incidents and scheduled work for clients, with the aim of providing a reliable and high-quality service.

During 2023, this commitment to clients was evident through the direct support provided by its centre for 802 network incidents. Of all these incidents that have affected clients, 60% were due to electricity supply failures, works by third parties, natural causes and vandalism, while the remaining 40% corresponded to scheduled work on the network.

In line with normal operations, incidents were dealt with, and faults were repaired within the time periods established in customer contracts, without leading to any claims for financial penalties.

Advancing in Sustainability Management

In 2023, Reintel achieved two major milestones in sustainability. On one hand, the implementation of an ESG **governance system**, approved by its Board of Directors in July. This implies that the Company takes responsibility for ESG issues that affect it, taking into account the particularities of the telecommunications sector and the sustainability concerns of the minority shareholder KKR, as well as the commitment of its executive team in defining and achieving specific sustainability goals for the subsidiary.

On the other hand, Reintel has made progress on the various objectives set out in Redeia's 2023-2025 Sustainability Plan and on the sustainability goals approved by its Board of Directors. It is worth mentioning, in this regard,

the design and implementation of the **Environmental Management System**, having obtained AENOR certification, in accordance with the UNE-EN ISO 14001 standard.

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Lastly, it should be noted that in July 2023, Reintel's Board of Directors approved the governance model regarding Competition Defence at Reintel, and the documents related to the model, thus incorporating into the company the basic guidelines to be followed in terms of regulatory compliance for competition defence by all individuals belonging to the organisation.



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Key indicators 2023

10 satellites in operation.

4 control centres.

83.8% Net Customer Satisfaction Index.

Milestones 2023

Launch of Amazonas Nexus.

Award in Spain for extending broadband to all rural areas through the Conéctate 35 programme.

ISO 14001 Environmental Certification by AENOR in Spain.

Challenges 2024

Deployment of the Conéctate 35 project.

Achievement of ISO 14001 Environmental Certification in Brazil.

Expansion of the zero-waste-to-landfill project in Brazil.

Recognitions

Family-Responsible Company (EFR). MásFamilia Foundation in Spain.

Healthy Organisation Model by AENOR in Spain.

5.2 Satellite Activity

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Hispasat works with the goal of helping citizens overcome the digital divide and drive sustainable development in society.

Hispasat: technology to meet the challenge of universal connectivity

Hispasat is the main communications bridge between Europe and America as a provider of broadband services and connectivity through its companies in Spain and Latin America, where its subsidiaries Hispamar and Hispasat Peru are located, in addition to a significant part of Axess's business. It also leads the broadcast and distribution of audiovisual content in Spanish and Portuguese, including the transmission of Direct-to-Home (DTH) digital platforms and High Definition Television (HDTV).

Hispasat is the main driver of innovation in the Spanish aerospace sector and is committed to sustainability throughout its value chain. These activities position it as one of the leading companies in the world in terms of revenue in

its sector. In a context of constant technological disruption in its reference markets, Hispasat works with the goal of helping citizens prevent the digital divide from widening and drive sustainable development in society.

Hispasat Services

The Group provides its customers **with satellite capacity and internet connectivity** through managed service platforms, which offer these solutions without additional infrastructure.

The platforms operated by Hispasat provide a high-performance service offering based on Virtual Network Operator (VNO) models through which the Company's customers can **automatically and flexibly** configure their own services to end-users, ensuring a fit between the service provided and the diverse needs of the customer portfolio.

The services offered by Hispasat enable telecommunications and audiovisual operators, as well as institutions and companies seeking the highest standards of security and reliability, to have



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complementary technology capable of guaranteeing **universal connectivity solutions** in territories.

In line with this principle, Hispasat's global coverage is ideal for facilitating the development of satellite Internet access services, deploying services associated with the development of digital applications that improve the productivity of the local economy in sectors such as agriculture and livestock, as well as the quality of life of citizens by facilitating their access to education in remote places, through tele-education services, and healthcare, through telemedicine in collaboration with local companies. To this must be added the actions aimed at combating the consequences of climate change, such as early fire prevention and the depopulation of territories in remote and geostrategically important places like Greenland.

Alongside these actions, Hispasat's global coverage in its three main operating regions (North-Central America, South America, and EMEA -Europe, Middle East, and Africa) also allows for the provision of mobility services in **maritime and aeronautical transport** and connectivity solutions for telecommunications companies and the corporate sector in EMEA and America.

In the field of **audiovisual services**, Hispasat facilitates the direct-to-home (DTH) broadcast of television and radio channels. As part of its activity in this area, Hispasat distributes important DTH platforms in its areas of interest and has around 4.1 million DTH users who are provided access to more than 1,092 channels. It is a leader in the distribution of content in Spanish and Portuguese markets, with 1,300 TV and radio channels.

Hispasat satellites also contribute to the **distribution of content** in different formats to cable, fibre, and IPTV headends. After reception and processing at the satellite transmission centre, the content



Hispasat provides internet access to over 32,000 terminals across all its regions of influence.



is distributed through the satellite for subsequent broadcast via the customers' terrestrial networks. Hispasat's audiovisual offering is complemented by the provision of contribution services for the transmission of content from terrestrial stations, fixed or easily transportable, to central nodes for subsequent processing and distribution to viewers.



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For the development of these activities, the Group has a 24/7 booking service attended by a highly qualified technical team with solid experience in the rapid deployment of large-capacity contribution networks. This team is also responsible for managing reservations and continuous monitoring of services.

By the end of 2023, the number of clients with permanent services rose to 153, of which 29 are for audiovisual services, 73 for corporate services, 50 for telecommunications and satellite operators, and 1 for Government services. Additionally, there were 35 occasional-use clients.



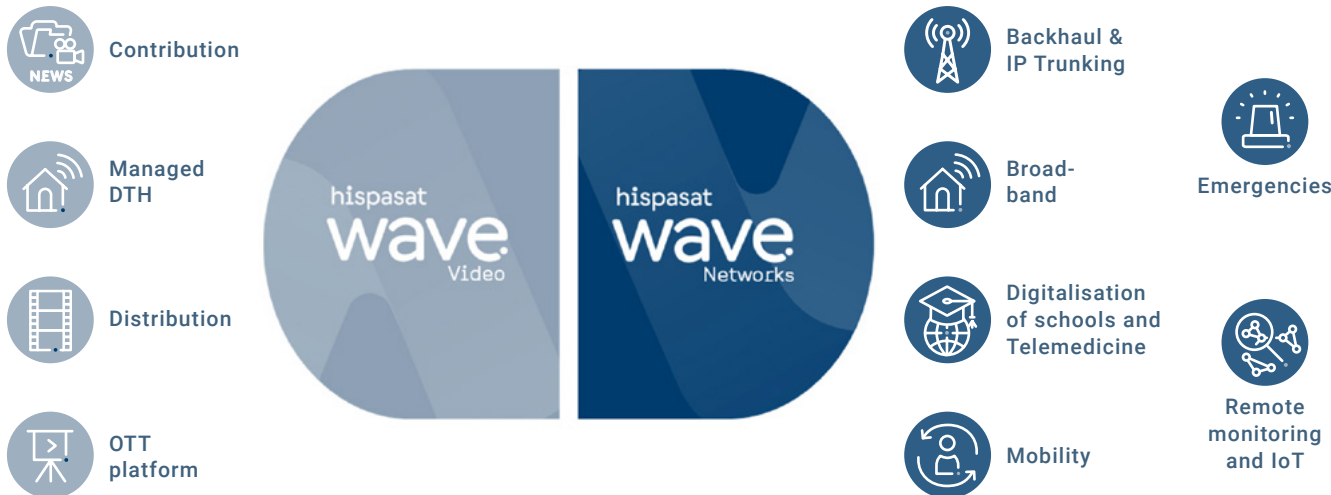
Amazonas Nexus, a turning point in the concept of sustainability

On 7th February 2023, the **Amazonas Nexus** satellite was successfully launched, completing the fleet of satellites operating in its various orbital positions.

This project represents a turning point in the concept of sustainability, both in the economic design of the project and in the environmental impact of the carbon footprint produced by its launch, which has become an international benchmark.

In the technological field, Amazonas Nexus significantly reinforces Hispasat's position at the **forefront of the geostationary satellite industry**. Designed with fully electric propulsion -which makes it a lighter satellite- and built on the Spacebus NEO platform by Thales Alenia Space, the new satellite in the fleet is equipped with a state-of-the-art Transparent Digital Processor (TDP). Its capacity is similar to that of the last six satellites launched.

Hispasat Services Offering



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Amazonas Nexus offers connectivity on the move and has the capacity to provide high-speed internet access throughout the entire American continent, the North and South Atlantic corridors, and remote locations such as Greenland and the Amazon rainforest, where the challenging terrain makes the penetration of terrestrial infrastructures impossible.



The coverage of this satellite and the timing of its launch marked a milestone in the project's financial sustainability, as it commenced its commercialisation with over 60% of its capacity already sold. Notable among the commercial contracts secured prior to the launch are those associated with the Greensat payload for Tusass - Greenland's national communications company-

and Artel's Pathfinder 2 mission for the U.S. Space Force. It will also provide Intelsat with several gigahertz of Ku-band capacity for in-flight connectivity services in the Americas and the Atlantic region.

Moreover, Amazonas Nexus signifies a turning point in Hispasat's commitment to sustainability, as it has become the first operator in the world to market a geostationary satellite while concurrently developing a **carbon absorption project to offset the carbon footprint resulting from the launch**. The project designed for this purpose involves reforesting land in the Community of Madrid, in collaboration with Sylvestrus, a company in which Hispasat has a 10% stake and which specialises in the design and drafting of forestry projects, as well as in the execution of reforestation work and early fire prevention.

This reforestation project, besides expecting a positive environmental and social impact in the short term, has been developed with its contribution to the conservation of biodiversity,

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Hispasat has been the first operator in the world to market a geostationary satellite while developing a parallel absorption project to cover the carbon footprint resulting from the launch.



rural development, and economic growth of the selected area in mind. It thus generates a triple impact - social, economic, and environmental - whose benefits extend beyond mere carbon footprint management, contributing to mitigating the effects of climate change, aiding in ecosystem restoration, and preserving biodiversity.

The satellite as a key tool for sustainability

Hispasat leads and collaborates on projects of different natures, enabling advances only possible through satellite technology.

Green Engine: the satellite serving CO₂ emission compensation

In January 2023, Hispasat and the Repsol Foundation formed an alliance to develop new technological applications dedicated to **monitoring and controlling reforestation and management of large forest masses** as a tool for emission compensation.

The new technological solutions will be applied to the Repsol Foundation's Green Engine project, which aims to replant 70,000 hectares of land over the next 5-7 years.

The pioneering project aims to drive CO₂ compensation



HISPASAT PARTICIPATES

in the largest reforestation programme for emission compensation in Spain.

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Hispasat launched Conéctate 35 in 2023, a pioneering programme in Europe, offering high-speed connectivity (100 Mbps) via satellite to all rural citizens at the same price as in urban areas.



through reforestation with a triple transformative effect on the economy, society, and nature. The incorporation of IoT and EO technologies into Sylvestris' business plan will enable Hispasat to deploy these solutions on a large scale in a project that will have high visibility and conditions that Hispasat could not easily replicate on its own.

Project Conéctate 35: universalising internet access in rural areas

Internet access is no longer just an opportunity but a right recognised by the United Nations since 2011. Hispasat contributes to this process by universalising the ability to reach every corner of our geography.

One of Hispasat's priority objectives to drive innovation and carry out the digital transformation of the territories under the coverage of its satellite fleet is to provide universal access to reliable, sustainable, resilient, and high-quality digital infrastructure (such as the Internet) and facilitate citizen and business access to it.

The **Conéctate 35** programme (www.conectate35.es) provides retail operators with a network resource platform for the provision of quality Internet access service available across 100% of Spanish territory.

Through the Next Generation funds, the Conéctate 35 project finances the installation (antenna and router up to 600 euros) and part of the monthly fee (35 euros, including VAT). As a result, all cadastral units with terrestrial fixed infrastructures at speeds below 50 Mbps, which are included in the map prepared by the Ministry of Economic Affairs and Digital Transformation, can have access to it.

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The aim of this programme, in addition to providing universal coverage in Spain, is to serve as a reference for Latin America.

Furthermore, in 2023, Hispasat promoted the signing, among others, of the following agreements:

- An agreement with Comitas e-Health for the commercialisation of a **satellite telemedicine solution in remote areas of Latin America**. The service involves setting up a teleconsultation with medical examination and diagnostic equipment connected via high-quality videoconference by satellite to a hospital centre where specialist doctors are located. This facilitates early medical attention in remote places, avoiding travelling.
- An agreement with Intelsat for **internet connectivity on aeroplanes, the development**

of corporate services, and the extension of cellular networks.

The alliance includes all the available capacity of the Amazonas Nexus satellite over the United States and Brazil and part of the capacity over the North Atlantic corridor.

- A partnership agreement for the tender of the **IRIS project2** (Infrastructure for Resilience, Interconnectivity, and Satellite Security). Hispasat, together with Airbus, Thales-Alenia, and the satellite operators SES and Eutelsat, are the reference partners of the consortium created to submit a bid in the tender process opened by the European Commission to create a European satellite constellation IRIS2. Its objective is to offer resilient and secure connectivity solutions to governments to protect European citizens, as well as commercial services for the benefit of European economies and societies.

This catalytic and facilitating function of sustainable development is linked to the vision

of the Sustainable Development Goals (SDGs), specifically those related to ending poverty, improving health levels, wellbeing, access to inclusive and equitable education based on flexible educational initiatives and collaborative work environments, as well as the deployment of infrastructures that promote economic growth, social inclusion, and the development of sustainable industrialisation.

Connecting what matters

Hispasat maintains a constant and direct dialogue with its customers through various systems and tools and ensures confidentiality, authenticity, and traceability of the information and resources used in the provision of services, with a firm commitment to respond with quality, efficiency, and reliability to any needs that may arise. In this sense, it offers its customers various specific communication channels suited to each need:

- Call centre: a 24-hour telephone channel operating 7 days a week, with service in three languages (Spanish, Portuguese, and English).



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- Support Centre: A web portal where Hispasat customers can independently open service incidents or request information of any kind.
- NMS Portal: A web portal where managed capacity customers can

monitor the service of each of their terminals and even perform simple operations.

- SIGO Portal: A web portal where spatial capacity customers can consult information regarding the capacity assigned to them.
- Hispasat Website: A source of useful information, as well as a means to request contact.

In 2023, Hispasat received a total of 12,990 requests, maintaining the distribution between incidents and queries in line with the previous year, 2022. The issues addressed in these requests are linked to queries related to operational issues, incidents, information requests, alignments,

changes, or service provisions, among others.

In 2023, Hispasat conducted its biennial customer satisfaction survey. The participation rate was 22.8% (198 responses), and the Net Satisfaction Index was 83.8%.

This survey focuses on understanding the level of satisfaction with the products and services marketed by Hispasat. It is especially relevant to ensure that the services and tools provided contribute to creating the best user experience and to help the group identify strengths and areas for improvement in the services marketed.

Hispasat's 2023-2025 Strategic Sustainability Plan

Hispasat understands sustainability as the guiding principle of all its activities, aimed at generating social and environmental well-being in the environment where it conducts its business while simultaneously creating economic value. Since its inception, born from a public policy 31 years ago, Hispasat has been committed

HISPASAT
CUSTOMER
SATISFACTION
SURVEY
2023

83.8%

Net Satisfaction Index

Customer Service Typology / No.

	2021	2022	2023
Enquiry (1)	2,928	5,568	6,759
Incident (2)	2,182	5,083	6,227
Complaint (3)	3	6	4
Suggestion	0	0	0
Total	5,113	10,657	12,990

(1) Includes operational issues, information requests, alignments, changes, service provisions and others.
 (2) Includes incidents, problems, terminal incidents, platform incidents, service incidents and scheduled work.
 (3) Includes complaints and claims.

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to providing services that generate added value for clients and shareholders, as well as for other stakeholders it interacts with: suppliers, employees, public administrations, and the community.

As a result of this commitment, and the vision contributed by Redeia to sustainability, in December 2022, Hispasat approved its **2023-2025 Strategic Sustainability Plan** identifying cross-sector actions of interest for the sustainable development of its activities. This plan favours the organisation's continuous improvement and adds value to Redeia's 2030 sustainability commitments. In this context, Hispasat's plan, included within Redeia's own 2023-2025 Sustainability Plan, aligns with four of the sustainability priorities established by Redeia to occupy a leading position in the global business context.

From the total lines of action that make up Redeia's plan, Hispasat has identified and included in its 2023-2025 Sustainability Plan those in which it adds the most value, with the aim of ensuring responsible business management and advancing the defined sustainability objectives and priorities.

In global terms, Hispasat's Plan encompasses a total of 21 objectives/actions, including initiatives to be deployed in a specific year within the plan's validity and others that remain valid throughout the plan. As of 31st December 2023, all objectives/actions with a start date in the year are underway. Notable among them are the implementation of a Healthy Organisation model in accordance with the Healthy Organisation Management System (SIGOS) certified by AENOR, obtaining the Family-Responsible Company (EFR) certificate, the implementation and certification of an environmental management system according to the ISO 14001 standard, and the identification of supply security requirements in the



The 2023-2025 Strategic Sustainability Plan includes cross-sector actions for the sustainable development of its activities, promoting the continuous improvement of the organisation and contributing value to the 2030 sustainability commitments made by Redeia.



supply chain and the incorporation of clauses in this area in the General Conditions of Contract.

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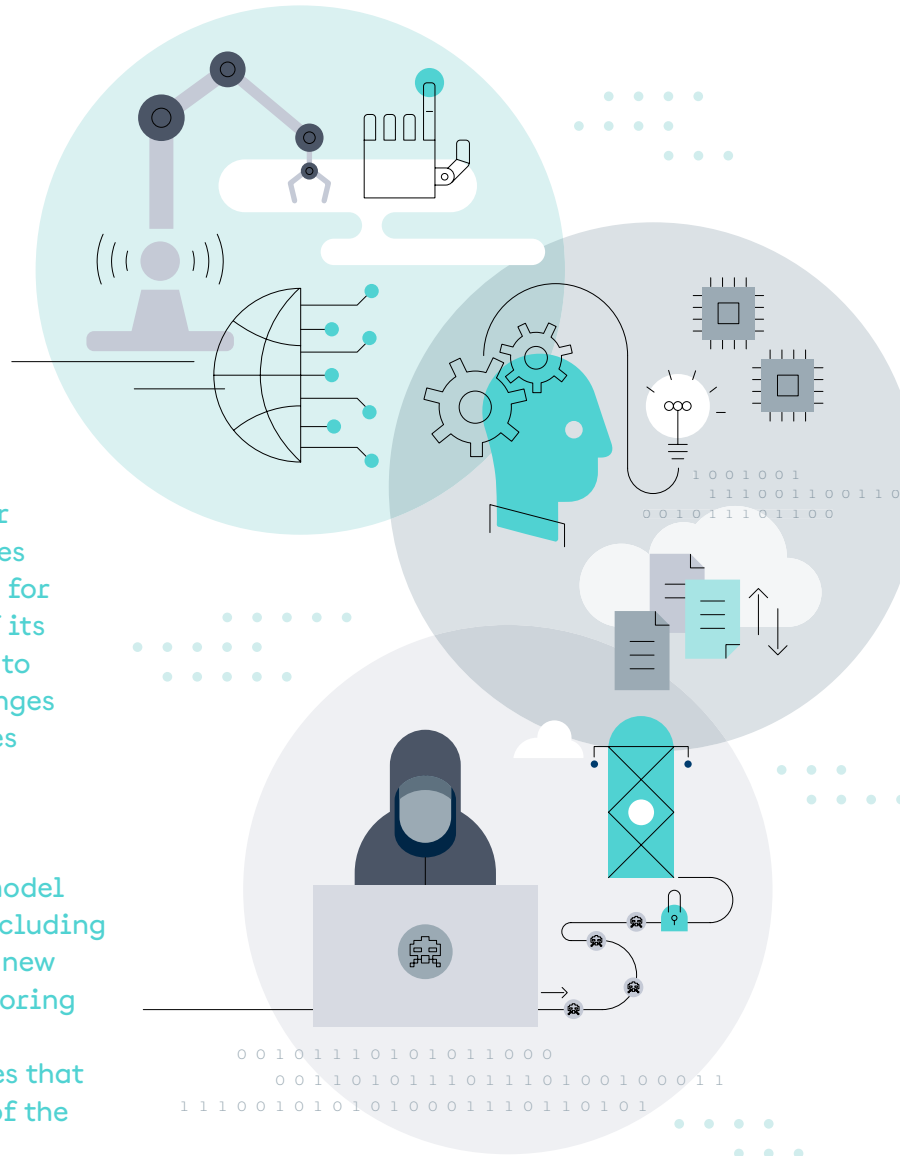
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Key Aspects

- Innovation and Technology
- Digitalisation
- Comprehensive Corporate Security

Redeia acts as a benchmark agent in innovation, both for its capabilities and resources and for its role as a catalyst for innovation. The evolution of its businesses implies the need to find solutions to new challenges through innovation processes and the development of new technologies.

The Company's innovation model must address these needs, including not only the development of new solutions but also the monitoring and adaptation of adequate innovations and technologies that allow for the improvement of the Company's processes.



Our Value Creation Model

1 We identify the RISKS

- Loss of technical and technological positioning in the sector.
- Economic loss in investments of the corporate venture capital model.
- Cyber incident in systems or equipment.
- Technological limitation of the data transmission network.

2 We take advantage of the OPPORTUNITIES

- Promotion of innovation and technology projects.
- Consolidation of open innovation as a lever for the creation of startups, business models, and cultural transformation.
- Positioning of the company as a key player within the innovation ecosystem.
- Development of a portfolio of innovative companies to follow new business models in the value chain of the energy transition.
- Promotion of data management to optimise processes and identify business opportunities.

3 We maximise the positive IMPACTS

- Contribution of technology and digitalisation as a driving force for societal change.

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Technological and Intellectual Capital

6.1 Innovation and technology



6.2 Digital transformation

6.3 Comprehensive Corporate Security



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Key indicators 2023

12 innovative technological solutions adopted.

30 technological partnerships formalised.

2 Venture Builder intrapreneurship initiatives generated.

Milestones 2023

Definition of a strategy to assess alternatives for new business avenues and the development of a Venture Builder process.

Definition of a model for the exploitation of intellectual and industrial property.

Incorporation of impact measurement into the performance indicators of the Corporate Venture Capital (CVC) investment portfolio.

Challenges 2024

Complete the development of a Venture Builder process.

Design and develop a model that allows for the measurement and evaluation of the impact of Intellectual and Industrial Property.

Measure and manage the social impact in the innovation activity.

Recognitions

Award for the RES+ project as Innovation of the Year at RENMAD Storage 2023.

Recognition for the SF₆/SO₂ sensor systems projects and platform for the automatic interpretation of partial discharges at the Latin American Regional Meeting of CIGRE in Brazil.

6.1 Innovation and Technology

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Elewit was born in 2019 to offer solutions to the new challenges in the electricity and telecommunications sectors.

Since then, Elewit has continued to deploy all the necessary tools to capture and materialise initiatives and projects at any stage of maturity that can contribute to innovation within Redeia.

Elewit acts as a facilitator and connector for Redeia's leading companies and business units, centralising and catalysing opportunities to introduce innovation into the Group, whether

by developing its projects or collaborating with other actors in the ecosystem.

Creation of an Innovation Ecosystem

During 2023, Elewit made progress in consolidating the creation of an ecosystem that allows for the generation of a greater number of technological opportunities.

Specifically, the company has prioritised robotics and cybersecurity, two of the crucial technologies according to 2021-2025 Redeia's Strategic Plan. This has involved the



Elewit aims to promote energy transition and connectivity to create a sustainable future.



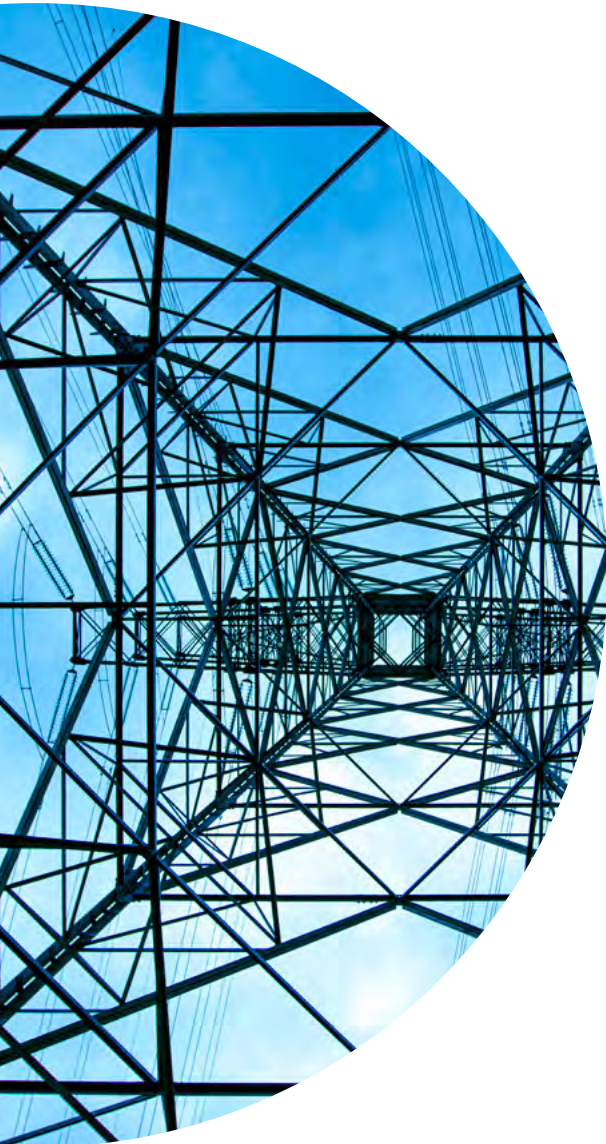
The Elewit Formula

6 challenges + 7 technologies

- Electric grid infrastructure and asset management.
- Operation of the electrical system and integration of renewables.
- Connectivity of assets and society.
- New services and business models.
- Security and wellbeing of people.
- Sustainable development.
- New equipment and materials.
- Immersive technologies and robotics.
- Platforms and computing.
- Advanced data processing.
- Internet of Things.
- Communications.
- IT and OT cybersecurity.



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formalisation of **new models of relationships** with allies, partners, and collaborators, who can contribute to generating new project and investment opportunities, aligned with the key challenges of technological innovation. In this way, Redeia closely collaborates with more than 65 different innovation agents (entrepreneurs, investors, universities, research and technology centres, other corporations, opinion leaders, etc.) that ensure a constant contribution of new ideas and knowledge.

For the proper management and monitoring of these external relationships, a dashboard has been created, where indicators have been identified, such as the quantification of categories or roles in the Redeia ecosystem, the different types or mechanisms of collaboration, geographical and technological

diversification, etc., thus allowing for a vision of the ecosystem from multiple perspectives.

It is worth noting that, during 2023, the company signed five new collaboration agreements (among the more than 65 partners and contributors listed above) for the development of projects in the identified technologies.

Furthermore, in its commitment to supporting young talent in developing solutions for the great challenges of our present and to extend Elewit's open innovation model in Latin America, Elewit has supported and participated, along with Redinter, as a sponsoring partner in the Innovators Under 35 LATAM awards organized by the prestigious MIT (**Massachusetts Institute of Technology**) Technology Review. The collaboration with Redinter to extend the innovation model has also led to the hosting



of three webinars in Latin America to promote the valorisation of corporate products in new markets.

Prospective Impact of New Technologies on Redeia's Activities

During 2023, Elewit significantly evolved the **technological surveillance process** applied within Redeia with the aim of identifying the main technologies, scientific advancements, and tech companies of interest to our activities.

Evidence of this work is the production of a series of deliverables that provide great value in the Company's technological decision-making process. Among these, the creation of a technological radar and a hype cycle stand out (a graphical representation in the form of a curve that depicts the maturity and adoption level of technologies and how they are potentially relevant for solving real commercial problems and exploiting new opportunities). These include the most relevant technologies classified according to Redeia's areas of activity, potential impact

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on the activity, internal evaluation status, and the maturity level of the technology's development. Additionally, an analysis has been conducted to assess the potential of these technologies within Redeia to generate new business opportunities or efficiencies within the company.

Furthermore, the technological roadmap has been updated and monitored to align the challenges

of Redeia's strategic plan with the opportunities that technology offers to address them.

Generation and Monitoring of New Business Logics

Throughout 2023, **open innovation** tools were consolidated as a source of startup/business logic and business model generation and as a lever for cultural transformation within Redeia. Among these, the following stand out:

- Completion of the **4th Venture Client Programme**. Seven pilots have been carried out focused on developing and testing new solutions in an agile manner that addresses the company's internal needs. The developed solutions tackle various needs, such as increasing cybersecurity at Red Eléctrica's control centre, improving the design of critical assets like submarine cables, reducing the risk of faults in electrical lines, and identifying potential risks to field workers to enhance their safety. Following the completion of these pilots, a detailed analysis of the results will

be conducted, and based on these, a decision will be made regarding their internal adoption within the company and the scaling of the analysed solution.

- Launch of the **2nd Intrapreneurship Programme** with the selection of two projects:
 - **e-commerland**: an online marketplace platform that maximises the availability of land for the energy transition through energy communities, connecting supply and demand.
 - **Efisite**: a virtual assistant to help individuals optimise their energy consumption through the reception of personalised energy efficiency proposals for their residences.
- Continuation of the **SafeDelimit project** (a product that allows the creation of safe zones in work environments using laser technology) from the 1st Intrapreneurship Programme, with the goal of materialising the generated letters of interest by manufacturing and putting the product into service.



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Elewit monitors innovation projects with over 100 initiatives received, 78 ongoing projects, and 12 innovative technological solutions adopted in 2023.

• Progress in the **Venture Builder Programme**, aimed at boosting investment in newly created companies by leveraging market opportunities offered by technology.

All these programmes enable the systematic generation of ideas and consolidate the technological surveillance service to understand the impact of disruptive technologies on Redeia's various businesses and activities.

Creation of a Corporate Venture Capital Portfolio

Elewit has continued to build a **portfolio of innovative technology companies**, which allows for close monitoring of new business models that can be generated, thanks to technology within the value chain of the energy transition and 'new space', primarily.

In 2023, the portfolio was expanded to include STELLAR, a French startup dedicated to the development of connectivity solutions that combine the telecommunications and automotive sectors. Also noteworthy is the execution of two follow-on investments in companies already part of Redeia's portfolio



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Elewit has continued to build a portfolio of innovative technology companies to closely monitor new business models within the value chain of the energy transition. In 2023, STELLAR, a French startup dedicated to developing connectivity solutions, was added to the portfolio.



(Aerolaser and Hesstec) to continue supporting their growth strategy.

It is worth highlighting the work of startups in which Elewit has a stake in Redeia's projects, such as the key contribution of Nearby in the EPICS (Edge Protection and Intelligent Control Solution) project for the integration into a single hardware and an open software platform of the protection and control functions of a substation. Also, in this period, CounterCraft's participation in a

pilot with the information technology department on Cyber Deception has been carried out, the participation of Hesstec as a key partner for storage projects with successful awarding of aid through the PERTE (Strategic Projects for Economic Recovery and Transformation) (e.g., the Vysinc (Virtual synchronous compensator) project for storage on islands), or the participation of Okto Grid in the Asumo (Advanced substation monitoring) project to test its sensor solution based on vibro-

acoustic variables in the monitoring of transformer conditions.

On 23rd June 2023, the ADARA VENTURES ENERGY I, FCRE Energy Transition Fund, in which Elewit is an anchor investor, was registered with the CNMV and the fund's regulation brochure was published. With the fundraising process advancing with institutional, public, and private investors, it is expected that the first closing will take place throughout 2024, and with it, operations will commence.

Adoption of Innovative Technological Solutions and Induced Benefits

Elewit has been monitoring innovation projects with over 100 initiatives received, 78 ongoing projects, and 12 innovative technological solutions adopted in 2023.

Among these adopted solutions are those that enable a new design of insulating crossarms which will reduce the footprint of high-voltage power lines by minimising easements, making the designs more appealing,

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and improving the environment and sustainability (CICA project); also included is the use of a hybrid autonomous auxiliary power system, based on photovoltaic technology and batteries, which allows a substation, such as the Platea substation, to have a more sustainable setup for powering its auxiliary services (RENEWABLE PLATEA project); or, for example, the improved sensorisation of submarine cables through optical fibre (MISTRAL project); or the development of new models for predicting the dynamic capacity of lines by directly integrating the thermal ampacity model into the forecasting algorithm, which allows for greater efficiency in the models (met4DLR project).

The most notable qualitative benefits have been, for example, the reduction of operational expenses, the decrease in activities that could

cause work-related accidents due to actions performed by people, or the reduction of cybersecurity risks due to breaches that occur due to employee ignorance.

To finance and drive the development of highly relevant projects, in this fiscal year, innovation support levers through public-private collaboration have also been utilised, issued by various bodies. In 2023, Elewit has been awarded four proposals in four different calls:

- **Proyecto VYSINC** (Virtual synchronous compensator). The project involves the development and real-scale validation of a hybrid storage system that combines lithium-ion batteries and supercapacitors, managed by a specific control system that allows it to operate in synchronous grid-forming mode, which will increase the robustness of the network node to which the developed storage system would be connected. The new storage system will be



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connected to the high-voltage transmission network in the Lanzarote-Fuerteventura electrical system, specifically at the Tías substation (Lanzarote), and will operate as an integrated network asset, providing a wide range of services to ensure the safe operation of the electrical system and the increase in the integration of renewable energies. The consortium that will carry out the project will be formed by three Redeia companies along with Hesstec (a startup part-owned by Elewit), CEN Solutions, CERE, and S2 Grupo.

• **ECOFOSS Project.** The overall objective of the project is to conduct a series of research and simulations for the design of a zero-emission floating offshore high-voltage substation and its connection to dynamic power cables suitable for transmitting large electrical generation capacities (between 400 and 500 MW) at

220 kV voltage levels, as well as the study of the technical, economic, and environmental feasibility of its development in an industrial research setting. The consortium is made up of Red Eléctrica, Navantia (coordinating entity), Sener, Ditrel, Ocean Ecostructures, and UPTECH.

• **European Projects.** Redeia has been awarded two European R&D projects, TwinEU and MISSION, and both involve receiving a grant from the European Commission for their development:

The most notable benefits arising from the adoption of innovative technological solutions have been decreased operational expenses, reduced activities that could lead to workplace accidents, and minimised cybersecurity attack risks due to vulnerabilities exposed by employee ignorance.

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Among the innovation projects, the new European IRIS² programme stands out, which aims to deploy a satellite infrastructure to provide secure institutional communications.



- The TwinEU project, focused on developing a digital twin of the European electrical system.

- The MISSION project aims to research and develop electrical switchgear solutions that use alternative electrical insulating technologies to SF₆.

In the satellite field, several innovation projects stand out:

• **IRIS²**: With the rise in cyberattacks and the current geopolitical context, secure satellite communications have become a priority for the European Commission. The momentum has led to the creation of the new European space programme called IRIS², which was created to deploy satellite

infrastructure to provide secure institutional communications, among other services.

In 2023, the European Commission, through the Directorate-General for Defence Industry and Space (DEFIS), launched a call for proposals for a multi-orbit satellite system to provide secure communications for EU institutions and Member State administrations. The tender includes a 12-year operation and service provision period. The programme is structured as a PPP (Public Private Partnership), including private investment to incorporate commercial capabilities into the system, maximising synergies. In 2023, Hispasat was working alongside a consortium of major

European space companies to respond to the tender, with the award expected in the first quarter of 2024.

• **GOVSATCOM HUB**: As part of IRIS²'s overall architecture, a pool and share system will be developed to orchestrate the alignment of user needs with the existing satellite capabilities in Europe for government services. Hispasat contributes to the definition of this system within two European consortia and has participated in the tender process, providing an operator's perspective. Hispasat's participation in this programme positions it as a benchmark provider of GOVSATCOM capabilities (secure government communications).



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• **5G** remains a key pillar of innovation activity. In the development of new 5G infrastructure, the satellites play an important role as a complement to terrestrial networks. Hispasat is actively involved in the 5G ecosystem, working to ensure satellite integration at the standardisation level (3GPP) and participating in projects that include integration pilots. Notable achievements in 2023 include the efforts on *Release 18* of the standard, which incorporates satellites within Non-Terrestrial Networks (NTN) in commercial frequency bands, and continued work on the 5GMED project, which deploys services over a mixed 5G network (terrestrial-satellite) in the Mediterranean transport corridor.

Additionally, three projects have been launched: 5G-STARDUST, TRANTOR, both funded by the

European Commission (Horizon Europe), and AROMA 3D, funded by recovery and resilience funds. These projects aim to consolidate satellite integration within 5G through real demonstrations and analyse aspects necessary for inclusion in upcoming standard releases.

Furthermore, in 2023, the pilot deployment of a 5G small cell with a standalone core network and satellite backhaul, enhanced with edge computing technology to improve user experience, was completed.

• **Open innovation / Innovation ecosystem:** Building an innovation ecosystem that captures opportunities and talent is essential to remain at the forefront of technology and solutions. In this regard, Hispasat participated in key innovation events in 2023, such as the Mobile World Congress.

• **Green Engine:** Following Hispasat's partnership with the Green Engine initiative in 2022, which aims to reforest areas affected by wildfires and generate carbon credit rights, 2023 saw the successful deployment of a comprehensive forest protection solution in the Las Hurdes project. Hispasat has also begun exploring the technical and economic feasibility of developing a platform for monitoring, verifying, and certifying carbon credits through satellite image processing.



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- **Cybersecurity:** Communication security is an increasingly sought-after and relevant attribute. The future of encryption lies in quantum technology, with satellites playing a significant role by enabling the distribution of encryption keys over vast distances. In 2023, Hispasat continued to explore a GEO system for quantum key distribution and presented a proposal to the Spanish Space Agency to develop a demonstrator.

- **Lunar Communications:** With extraterrestrial exploration initiatives on the rise and more than 50 space missions to the Moon expected in the near future, the need for dedicated communication systems is becoming critical. The European Space Agency (ESA) is actively developing a communications

system to support these missions. Within an international consortium, Hispasat contributed to a preliminary study in 2023 that aims to establish the foundations of this future communications system.

Consolidation of Innovation Activities

For the consolidation of innovation activities, Elewit has worked on three main areas:

Expansion of Innovation Tools to Latin America

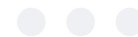
Throughout 2023, Elewit undertook multiple initiatives, notably launching a pilot for the validation of the Zapiens solution in Peru and Chile,

conceptualising a hybrid storage solution for the mining sector, sponsoring the Innovators Under 35 initiative launched by MIT in Peru, actively working with ISA (Interconexión Eléctrica SA) and Grupo Energía de Bogotá (GEB) in identifying synergies in innovation projects, and conducting several internships with Grupo Energía de Bogotá. Elewit has actively

participated in those related to the IEC 61850 standard and with the Electric Network Lines Maintenance department.

Intellectual and Industrial Property Exploitation Model

The model for the exploitation of Intellectual and Industrial Property (IP) has been developed. This model positions Elewit, a Redeia company, as responsible for managing the industrial property generated in innovation projects carried out with various partners (third-party companies). In these projects, partners are granted a license to commercialise the solutions resulting from the industrial property generated in the innovation projects in exchange for a royalty. This model includes a compensation mechanism, either monetary or through innovation services, for those Redeia's companies that own industrial property.



Elewit is Redeia's company responsible for managing the industrial property generated in innovation projects.



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This model has enabled the signing of agreements to exploit the results of two products derived from the innovation processes: the first, a contract with Arteché for the exploitation of the ZEPAS project (portable voltage transformer), and the second, a contract with Sofamel for the exploitation of the SERPAT project (a tool that facilitates grounding in substations).

Evolution of the Dashboard

Elewit has developed a dashboard of indicators for monitoring the innovation process, which now includes new indicators that capture both financial and non-financial aspects. These indicators, for example, quantify the potential value of innovation projects or the social impact generated by startup investments.

Valorisation of Innovation

Elewit continues with the task of valorising the innovation carried out within Redeia. In this regard, Elewit persists in identifying projects that can lead to deployable solutions both internally and in other companies.

This activity is conducted with the support of key partners for each R&D&i project, which can take the resulting solutions to market and compensate Redeia through advantageous acquisition terms, royalties, or commercial commissions.



Elewit orchestrates the valorisation through various initiatives, all of which are key as they enhance both Elewit's positioning and that of the solutions derived from Redeia's R&D&i activities, ensuring that Elewit and Redeia become significant players and a reference for other companies in their sector. More specifically, the following actions have been carried out during the year:

- Marketing and dissemination actions related to DALIA (an integrated solution for asset inspection using drones and artificial intelligence), with proposals presented to ARGO (Brazil), UTE (Uruguay), and CCNCM S.A.C. (Peru), as well as presentations of PDEye (Partial Discharges) and Overstory (Vegetation Digitalisation).



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- Expansion of the portfolio with three new solutions from which Redeia can capture and obtain royalties, besides doing so under advantageous conditions: ZEPAS (portable transformer), SERPAT (tools for improving grounding in substations), and STRATEGOS (a solution to optimise the project portfolio). Only the exploitation agreements for ZEPAS and SERPAT are pending signature.
- Submission of two offers for innovation services to third parties (InnaaS – Innovation as a Service): the implementation of a Venture Client program in ARGO and an offer to Grupo Energía de Bogotá, where Elewit would assist the company in developing innovation competencies within the organisation. Additionally, the services, such as e-redes and Roadis, have been presented to Spanish companies.

- Participation of Elewit and Redinter in the XIX ERIAC, held in Brazil, through a stand in the exhibitors' area where corporate information and innovation solutions were offered. Moreover, Elewit presented three technical papers related to the innovation project solutions ZEPAS, PDEye, and SF₆-SO₂, Sensorisation, with the sensorisation proposal being awarded.

Thanks to the work carried out in collaboration with Redinter and Aerolaser in Latam, the DALIA solution was approved for implementation in ARGO (Brazil) and UTE (Uruguay).

Innovation Effort

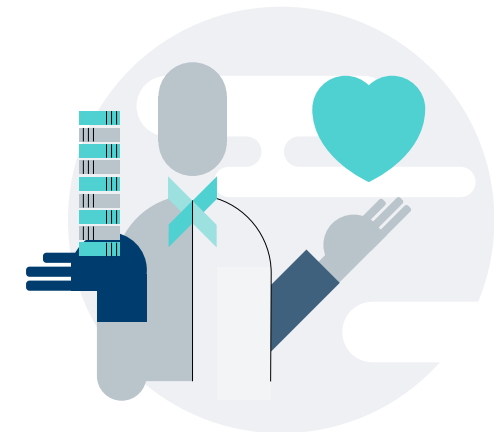
During 2023, Redeia managed 78 innovation projects, which resulted in an innovation expenditure of €6.51 million. Additionally, investment processes in startups have been launched for €2.08 million, making a total commitment to innovation and technological development of €8.59 million.

INNOVATION EFFORT

8.59

million euros

was the total expenditure made during 2023 by Redeia, which has managed 78 innovation projects worth €6.51 million. Additionally, investment processes in startups have been initiated for €2.08 million.



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Key indicators in 2023

95.1% achievement of the Annual Information Technology Plan.

Milestones 2023

Launch of eSIOS+ and the new eSIOS website.

Implementation of GRECO for the management of operation files and renewal of the external platform.

Rollout of the OnTime time management platform.

Launch of the new ZENIT budgeting platform.

Challenges for 2024

Implementation of the data strategy in key areas of the company.

New Control System in the Canary Islands.

New procurement award system.

Beginning of the deployment of the new BIM methodology and processes defined in the Origen program.

New use cases for Generative Artificial Intelligence.

6.2 Digital Transformation

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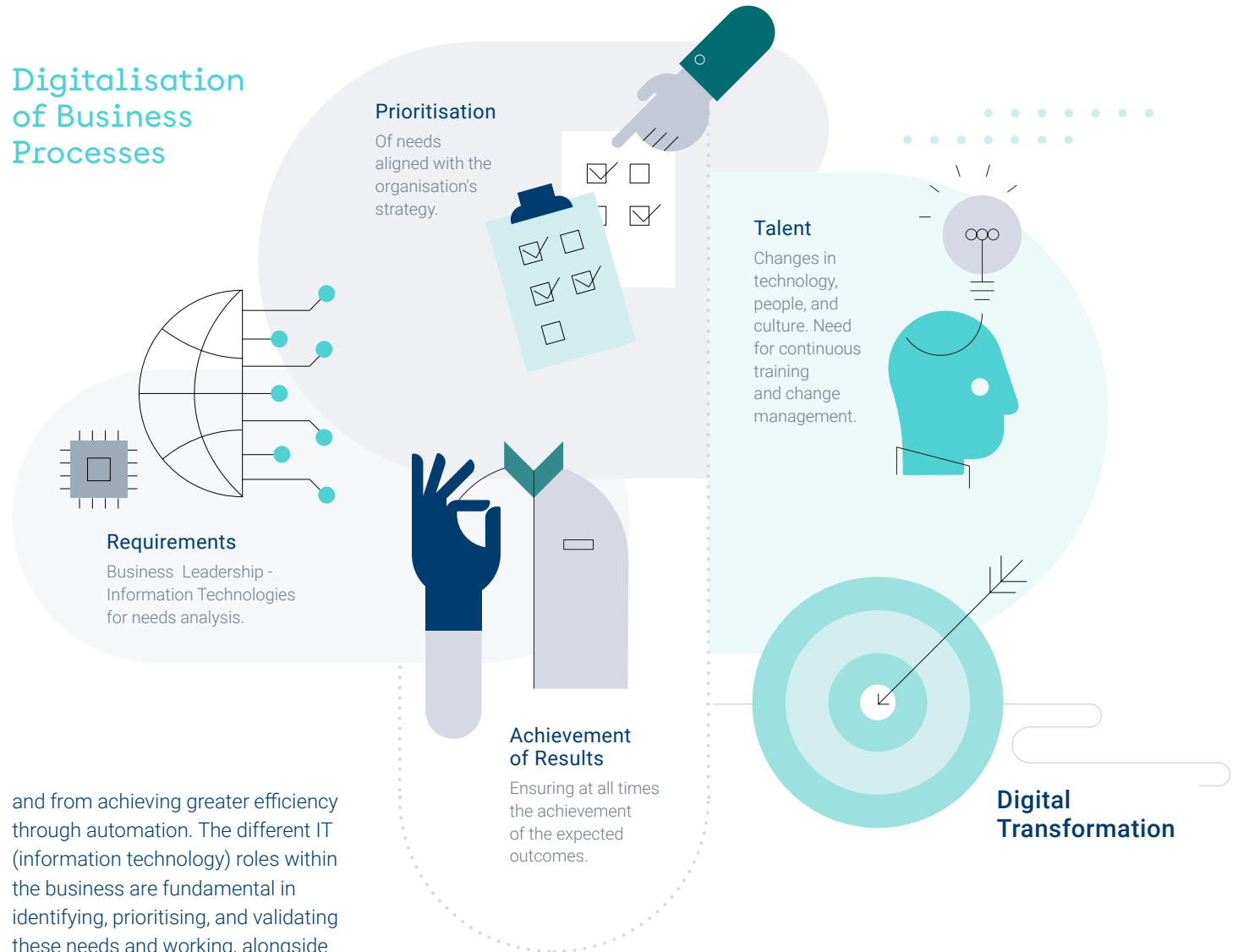


Digital transformation at Redeia is a process of changing operations, business models, and work practices, thanks to the rapid development of new digital technologies, which adds value to the organisation and contributes to meeting the challenges the Group faces in the coming years.

Redeia's digital transformation is encapsulated in the Annual **Information Technology Plan (PATI)**, which sets out objectives aligned with the Group's strategy, as well as planning and identifying the capabilities needed for its development. In 2023, a compliance level of 95.1% was achieved.

With business development, digitisation needs arise as a result of regulatory commitments, both internal and external; from the improvement of existing processes; from the need to extract value from data for better decision-making;

Digitalisation of Business Processes



and from achieving greater efficiency through automation. The different IT (information technology) roles within the business are fundamental in identifying, prioritising, and validating these needs and working, alongside their counterparts in the Information Technology Directorate (DTI), on the

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development of new applications and systems, as well as on their evolution and maintenance throughout their lifecycle.

For Redeia, the digital transformation of IT roles in the business is a priority objective. Therefore, the company has conducted listening sessions and planned dissemination and training actions that, in the case of business analysts, already began in 2022, and for other roles, form a plan with a scope from 2023 to 2025.

One of the main lines of action for digital transformation at Redeia is to develop IT systems and solutions that enable the energy transition, with actions focused primarily on the integration of renewables and the transformation of operation systems, as well as the management of transport projects.

Global Data Service

Redeia continues to drive the data culture within the organisation. In 2023, inter-annual data strategies were developed in collaboration with the General Directorate of Transport, the Directorate of Sustainability,



Systems and solutions enabling the energy transition

OPERATION



Integration of Renewables

Projects

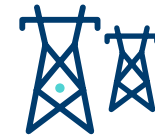
QUIJOTE
VOLTAIREE
GRECO

Transformation of Operation Systems

Projects

ESIOS +
ESIOS QH
PASOS

TRANSPORT



Transformation of Transport Project Management Projects

Projects

ÁGORA

Transmission grid and their structural information

Projects

MANINT
ORIGEN



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Through the Global Data Service, the group aims to boost the organisation's ability to manage the knowledge that can be extracted from its data to support decision-making, optimise processes, and identify new business opportunities.



MORE
THAN
90^h

of lectures, delivered as part of a training plan in which 35 analysts have participated

and the Directorate of People and Culture, resulting in annual work plans based on business priorities in terms of objectives and outcomes.

Furthermore, the necessary tools and support are being provided for the development of the functions and responsibilities of data roles, focusing on the consolidation of the business analyst role. During 2023, 28 new analysts were identified, adding to the twelve who began in this role in the previous year. Additionally, a training plan of over 90 teaching hours has been

executed, with 35 of these analysts already participating.

Regarding data self-consumption, in 2023, 67 use cases were identified, 26 of which, belonging to eleven different directorates, are already under development. Noteworthy are the dashboards for the areas of Procurement, Sustainability, Internal Audit, Management of investment portfolio projects, and the Directorate of Information Technology.

The Global Data Service not only focuses on supporting more descriptive analytics but also assists the business in evolving decision-making through forecasts, trends, anticipation of change, etc. In 2023, two new applications for **Artificial Intelligence & Advanced Analytics** were launched into production, and two existing ones were developed further to cover information arising from self-consumption. Additionally, the strategy for **Generative Artificial Intelligence** has been developed, which will be explored in 2024 with the implementation of pilot use cases to enhance productivity.

Cloud Centre of Excellence

Redeia has a Cloud Centre of Excellence (CCoE) that leads and governs the adoption of **cloud computing** within Redeia. This includes all practices of adoption, migration, architecture, security, risk management, governance, cost control, alignment with business needs, supplier selection, etc.

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The Company's culture and training are often the biggest obstacles to successful Cloud adoption. For this reason, the CCoE began in 2023 to guide the organisation through communications and events that promote the Cloud, and with the planning of training and the evolution of roles.

Democratisation of Development

In response to the growing need for business areas to develop their own applications to automate certain processes, the company decided to pave the way in 2022 to ensure these developments came with a series of guarantees: quality of the applications and associated data, use of authorised platforms and tools, and security through best practices and controls.

Thus, in 2023, a **Democratisation of Development** pilot was launched with the participation of 15 individuals from six Redeia business areas, which yielded very positive results with the viability of eleven of the twelve applications developed in Mendix and Power Platform.

In July, the internal regulation guide R-AY001 "Development and maintenance of computer programs by Redeia's organisational units" was published, with the aim of establishing the criteria and measures to be applied in the development and maintenance of these applications.

New Ways of Working

Continuing the work started the previous year, in 2023, Redeia worked on the selection of potential tools to make the operator's position more flexible initiating pilots of the selected solutions to validate the availability requirements needed for this role.

Supporting people in the adoption of new digital tools continues to be a priority. Thus, the **Comprehensive Digital Change Management Plan** has addressed training, dissemination and personalised service actions through various channels set up for this purpose.



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The Comprehensive Digital Change Management Plan has encompassed training initiatives, awareness-raising efforts, and tailored support.



Under this plan, in 2023, 806 individuals from Redeia were trained in tools such as Office 365, Adobe Sign, Power BI, Power Automate, and other company-specific applications. Additionally, Delibes, a digital user support portal, was launched, featuring intuitive navigation, user manuals, instructional videos, a calendar of informative sessions and training, etc.

Security

In 2023, the company worked on thirteen technological projects, eight initiatives in the area of Data Governance, eight from the Security Plan, twelve from the Architecture Plan, 46 application development projects, of which 35 were initiated in previous years, and various activities from the Technological Renewal Plan.

For Redeia, it is essential to guarantee an adequate level of cybersecurity, minimising risks and with the capacity to respond to incidents.

Information about Redeia's Corporate Security Model is developed in the **Comprehensive Corporate Security** chapter of this report.

IT Strategy in Cybersecurity

Access control

Privileged Users
-
Strengthening of AD
-
Information Access Control

Resilience

Training
-
Contingency Strategies
-
New Scenarios
-
Automation

Protection against Cyberattacks

Evolution of the Integrated SOC
-
Cyber Intelligence Vulnerabilities and Early Warning
-
Supply Chain Security

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6.3

Redeia's purpose in comprehensive corporate security is to protect the Company against the potential realisation of threats into high risks that could endanger

its human resources and assets, as well as the continuity of the services provided. The global security landscape is currently complex and constantly changing.

6.3 Comprehensive Corporate Security



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Redeia's approach to corporate security is broad and interdisciplinary, allowing it to respond to physical and cyber threats in a global and joint manner, and enabling the company to respond to a new scenario marked by:

- Political and economic changes.
- Changes in regulation (new European regulation for critical entities NIS-2 and CER, Cybersecurity Laws in Latin America (Peru, Chile, and Brazil)).
- Changes in security risks, where cyberattacks on critical entities are at very high levels, are more complex, focusing on social engineering and supply chain.
- Technological changes, such as digital transformation, increased connectivity and data traffic, as well as Artificial Intelligence.

The context and threats to Redeia's assets translate into security risks that are identified, analysed, evaluated, managed, and controlled through Redeia's Comprehensive Corporate Security Model.

Comprehensive Corporate Security Management Model

ESRS 2 BP-2 AR 2

Redeia's governance, management, and operational model is based on best practices and reference standards in this field. The model encompasses the eleven capabilities that the organisation must have in order to maximise its resilience in adverse situations.

These capabilities, also specified by standards such as COBIT (Control Objectives for Information and related Technology), ISO 27014 on information security



Redeia conceives corporate security in a broad and interdisciplinary manner, enabling it to address physical and cyber threats in a comprehensive and unified way, with the aim of providing an effective response to the increasingly complex new scenarios.



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governance, or ISO 38500 on IT governance, are addressed at three levels:

- **Comprehensive corporate security governance.** Tier level responsible for defining the strategic objectives, primarily through a Comprehensive



Capabilities of the Comprehensive Corporate Security Management Model

Risk Management	External Dependencies	Threats and Vulnerabilities
Security Planning	Security Personnel	Identities and Access
Assets, Changes, and Configuration	Incidents and Continuity of Operation	Regulatory Compliance
Information Exchange	Situational Awareness	

Corporate Security Strategic Plan, and for monitoring its proper implementation.

- **Comprehensive corporate security management.** Tier level responsible for defining the Comprehensive Corporate Security Plan that must meet the requirements defined by the Comprehensive corporate security governance, as well as managing the security functions and processes that derive from this plan.

- **Comprehensive corporate security operations.** Tier level responsible for the execution of the comprehensive corporate security processes related to infrastructure.

Comprehensive Corporate Security Strategic Plan

In May 2023, Redeia defined the new comprehensive corporate

security strategic plan, whose objective is to place Redeia at an adequate level of security to ensure the effective protection of its businesses, assets, and people.

To achieve the objectives of the comprehensive corporate security strategic plan, an operational plan is established on four strategic pillars.



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Comprehensive corporate security strategic plan

• 1 •

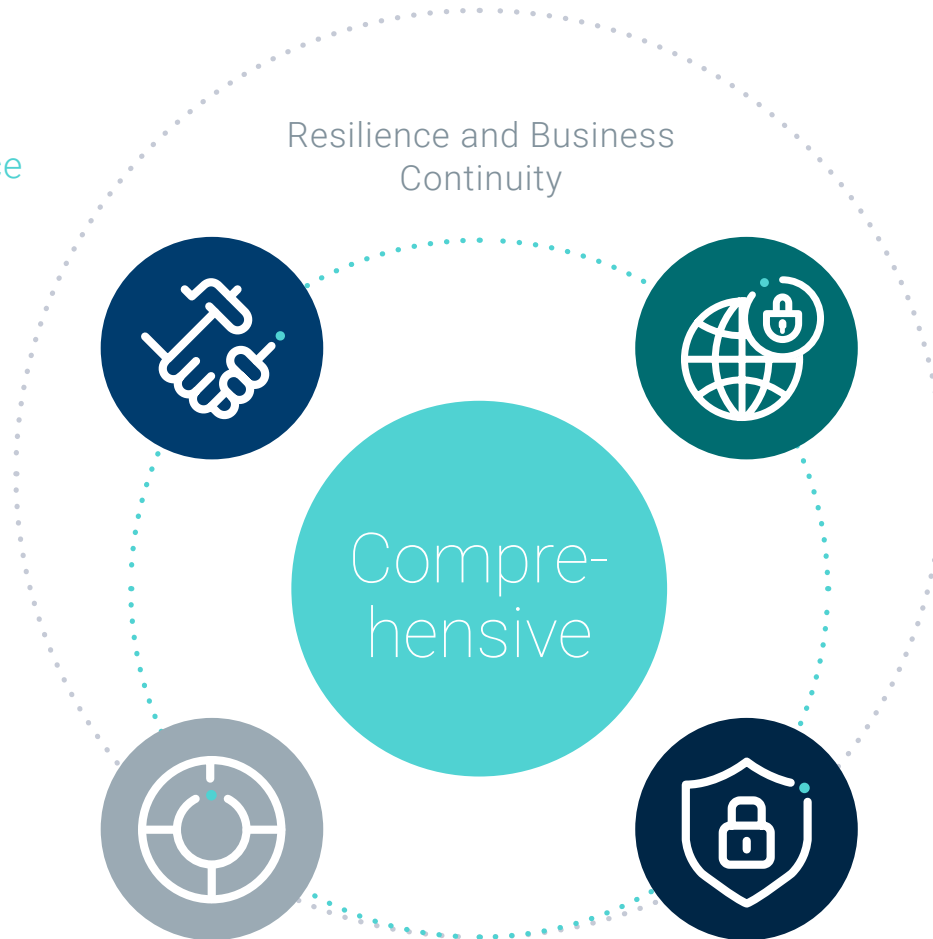
Security Governance

Develop and implement organisational security measures to mitigate risks.

• 3 •

Resilience

Develop capabilities to facilitate adaptation and learning to face various scenarios.



• 2 •

Protection

Activities aimed at preventing, deterring, or mitigating the realisation of threats.

• 4 •

Defence

Activities related to the early detection of threats and the minimisation of impacts.

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Comprehensive Risk Management Methodology

Comprehensive Risk Management

Redeia has a comprehensive Risk Management System that facilitates compliance with the Group's strategies and objectives and ensures compliance with current legislation, including the need to extend cybersecurity to industrial environments and increase the Group's resilience capacity.

The main objective of comprehensive risk management is to provide Redeia with a customised risk management capability, according to the characteristics and needs of the company and its business, thus becoming a benchmark company in security within the energy sector.

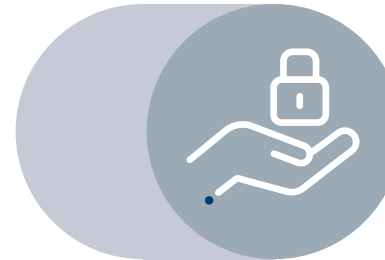
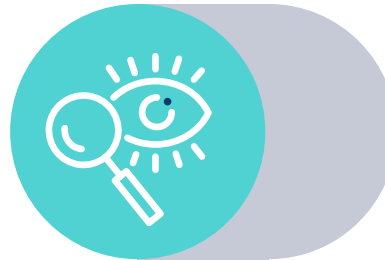
The group develops a methodology based on international standards (ISO 31000:2018, Risk management – Guidelines, and ISO 27005) that generally define the set of activities to be considered in the risk management process.

/ ESRs 2 BP-2 AR 2

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Asset Identification

- Classification
- Characterisation
- Evaluation



< 4 >

Current Risk

- Identification of Controls
- Evaluation of Controls
- Calculation of Residual Risk

< 2 >

Threat Identification

- Catalogue
- Characterisation



< 5 >

Risk Treatment

- Acceptable Risk Threshold
- Treatment Strategies
- Risk Treatment Plan
- Target Risk

< 3 >

Inherent Risk

- Calculation of Inherent Risk



< 6 >

Monitoring and Review

- Monitoring and Review of the Risk Analysis and Management Process

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Comprehensive Corporate Security Management Model in the Supply Chain

Since 2019, Redeia has been working on the implementation of its own model for managing security within the supply chain.

The aim is to manage the security risks associated with procurement to ensure the achievement of Redeia's objectives and the continuity of the services it provides to society, as a shared responsibility between Redeia, its suppliers, and any subcontractors. In this way, supplier security management allows it to:

- Manage security aspects with suppliers, from the qualification phase through to completion.
- Control and reduce the risk associated with the products and services contracted.
- Evaluate and periodically review the security of products and services provided by suppliers.
- Support and carry out development actions with suppliers to improve their security capabilities.

Training, Communication, and Awareness plan

Redeia has implemented a Training Plan to enhance the skills of professionals, with the aim of filling the gap that exists regarding professionals and talent in the cybersecurity market. To this end, the areas, roles and training necessary for each of them are identified, and an annual training plan is carried out. / **ESRS S1-13 p. 81**

Advancing employee awareness increases Redeia's resilience; therefore, the Group brings cybersecurity closer to people, ensures that awareness is present in all areas of life, and takes initiatives to integrate it into the business.

During 2023, Redeia has worked on managing the cyber risk associated with the organisation's employees, preparing them for new forms of work that involve more mobility, more technology, and more digitalisation. This training has had a twofold objective: to detect employees' weaknesses in terms of security in order to train them in cybersecurity behaviours as part of an ongoing training process through a personalised training model, and to measure results by assessing the level of awareness, providing information in order to maintain the highest levels possible.



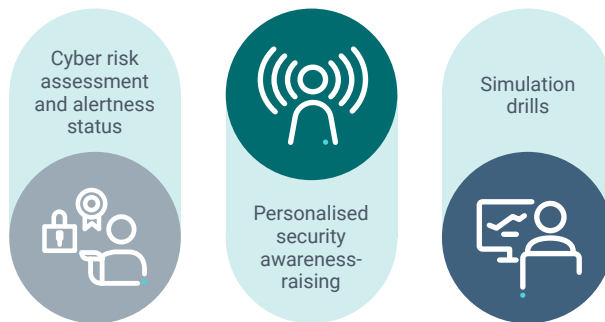
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Throughout 2023, Redeia continued working on cyber-risk management associated with employees through an Awareness Plan that includes activities targeted at the correct use of technology in both personal and family environments.



Cybersecurity for employees



Training, Communication, and Awareness Plan

Creating a Culture

- Encourage the secure and safe use of information.
- Provide the necessary concepts to protect the Group.
- Make employees stakeholders in Redeia's security.

Secure Employee

- Protect the integrity of each employee.
- Protect the information handled by each employee.
- Protect Redeia's assets.
- Conduct talks for employees' families to raise awareness about security.



Risk Mitigation

- Mitigate the potential effects of security risks.

Increasing Knowledge

- Understand the consequences of potential security incidents.
- Know how to act in emergency situations.

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Financial Capital

7



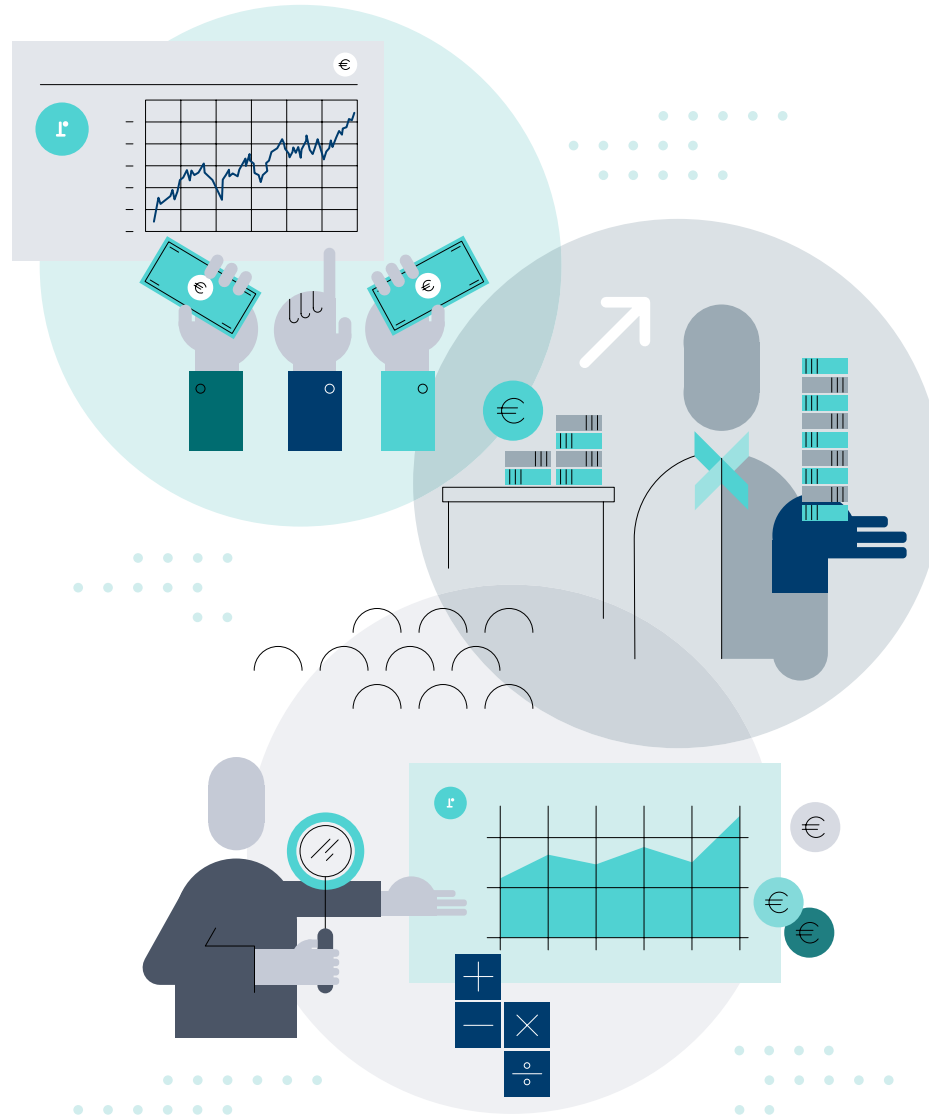
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Key Aspects

- Financial Strategy
- Shareholder Return
- Tax Transparency

Redeia has maintained stable growth based on sound financial results and has a clear focus on operational efficiency and the ongoing generation of value.

It achieves this through responsible, transparent management, aligned with its commitment to sustainability and a financial strategy that promotes sustainable and innovative sources of financing.



Our Value Creation Model

1 We identify the RISKS

- Regulatory changes.
- Delays commissioning facilities.
- Deviation in product costs.
- Economic climate of high inflation and high-interest rates.
- Volatile financial markets.

2 We take advantage of the OPPORTUNITIES

- Support from an attractive investor for financial markets.
- Access to sources of financing for more competitive costs, derived from ESG efforts and alignment with the European taxonomy.

3 We maximise positive IMPACTS

- The multiplier effect on economic activity, employment, and fiscal contribution.

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Financial Capital

7.1 Financial Results



7.2 Financial Strategy

7.3 Tax Transparency



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Changes in financial results

For yet another year, Redeia has been able to maintain stable growth. The company has achieved sound financial results and has significantly strengthened its main financial

indicators, maintaining a clear focus on operational efficiency and the ongoing generation of value.

7.1 Financial Results

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Main financial indicators / M€

	2021	2022	2023
Revenue	1,953.5	2,015.0	2,064.1
Gross operating profit (EBITDA)	1,498.6	1,491.2	1,507.8
Net operating profit (EBIT)	992.0	961.6	989.7
Net profit	680.6	664.7	689.6
Non-current assets	11,097.1	11,834.2	12,262.8
Equity	3,685.1	4,894.3	5,529.1
Operating cash flow after tax	1,178.4	1,146.7	1,156.3
Total investments	576.0	1,032.3	996.2
Net financial debt	5,647.9	4,633.8	4,975.4

Economic value generated and distributed / M€ 201-1

593.3

Shareholders: dividends

566.9

Suppliers (1)

190.5

Corporate: tax on earnings

214.5

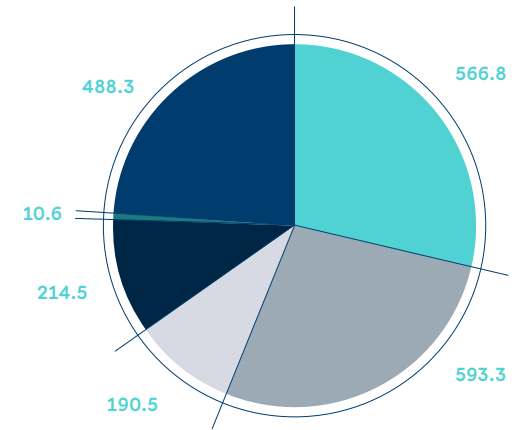
Employees: personnel costs

10.6

Social investment

488.3

Retained economic value



Retained



Generated



Redeia has generated an economic value of 1,575.8 M€ for its stakeholders.



(1) Includes supplier costs, other operating costs and other capital suppliers: net financial costs. Note: data included in the Consolidated Annual Accounts.

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Shareholder return

Stock market performance

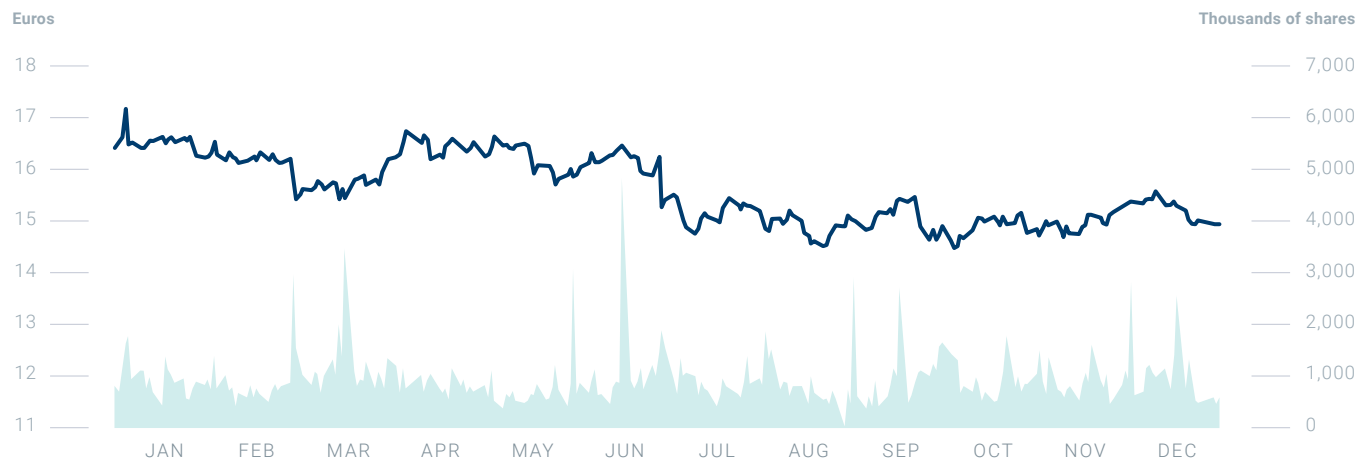
Redeia's share price stood at 14.91 euros at close of trading on 31 December 2023. The share price was down 8.3% in the year, due to the successive interest rate hikes that took place during the period and the uncertainty surrounding the upcoming regulatory review of the electricity transmission business in the coming months. The share price fluctuated between 17.13 euros,

which was reached on 4 January 2023, and 14.405 euros on 3 October 2023.

A total of 295.5 million shares were traded on the Spanish continuous market during the year as a whole, which is equivalent to 54.6% of the number of shares comprising its share capital. Cash transactions amounted to 4,625.1 million euros.



Share price performance and daily volume in 2023



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Main stock market indicators

	2022	2023
Share price (in €)		
Maximum	20.05	17.13
Minimum	14.505	14.41
Closure	16.26	14.91
Number of shares (millions)	541.08	541.08
Market capitalisation at the close of the year (in M€)	8,798	8,067.5
Earnings per share (EPS) (in €)	1.23	1.27
Share price/EPS (no. of times)	13.24	11.74
Dividend per share (in €)	1.00	1.00

Dividend policy

Redeia will follow the dividend policy described in its 2021-2025 Strategic Plan, which initially established the payment of a dividend of 1 euro per share until 2022 and a floor of 0.80 per share as of 2023. The best financial situation of the group, basically from the sale of a holding in Redeia Infraestructuras de Telecomunicación, made it possible to increase the shareholder dividend to 1 euro per share in 2023.

In 2023, dividends paid from the previous year's profits came to 539.6 million euros.

The dividend paid from the 2023 financial year's profits proposed by the Board of Directors and pending approval by the General Shareholders' Meeting is 1 euro per share. We must deduct 0.2727 euros per share paid on account on 5 January from this amount. The complementary dividend of 0.7273 euros is pending distribution in early July, subject to the approval of the Annual Accounts by the General Shareholders' Meeting.



The dividend paid from the 2023 financial year and pending the approval by the General Shareholders' Meeting is 1 euro per share.



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Key indicators in 2023

2.14% average cost of debt.

11% proportion of variable-rate debt.

4.5 years average maturity of financial debt.

59% of financing based on ESG criteria.

7.2

Milestones 2023

Issue of the Company's first hybrid green bond.

Challenges for 2024

Issue a new green bond to finance the 2021-2026 Investment Plan.

Sign the financing for the Salto de Chira Project with the BEI.

Analyse the new EU Green Bond Standard and the possibility to adapt Redeia's green framework to this new model.

Awards and recognitions

OFISO 2023 award for Leadership in sustainable financing.

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Redeia's long-term, strategic and cross-cutting commitment to sustainability and the digital transformation is showcased through the Company's responsible and transparent management, which promotes innovative and sustainable financing.



The financial strategy followed by Redeia has traditionally been geared towards highlighting the nature of the Company's business while adapting to the legislation in force at each moment.

Sustainable financing

Since 2019, Redeia has had a **green financing framework** through which it issues green financial instruments to finance and/or refinance projects that promote environmental progress. This framework is the result of the Company's commitment, even prior to the definition of the framework, to the integration of Environmental, Social and Governance (ESG) criteria in its financing.

During 2021, the Company updated its green financing framework, adapting it to the taxonomy



of the European Union and obtained a favourable opinion from the external agency Sustainalytics confirming its alignment with this taxonomy, thus becoming one of the first TSOs in the world to carry out this adaptation.

Similarly, in 2021 Redeia became a member of the Nasdaq Sustainable Bond Network, one of the most important professional repositories on sustainable financing.

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Red Eléctrica's green financing framework is aligned with the 2021 Green Principles of the ICMA (International Capital Markets Association) and the LMA (Loan Markets Association) Its eligible assets are also aligned with the European Union's draft taxonomy.



Alignment of the activity of Red Eléctrica with the Taxonomy of the European Union

This platform promotes the investment process in sustainable bond by allowing investors to obtain detailed information for the selection and monitoring of their investments.

The alignment of the green financing framework with the EU Taxonomy has allowed the concept of projects to be replaced by that of assets, with all of Red Eléctrica's assets being eligible as its activity, since TSO is considered to comply with the technical and environmental criteria and minimum safeguards required by the European Union.

Red Eléctrica's assets are considered to contribute to two of the categories established by ICMA and the LMA in their Green Principles: renewable energy and clean transport.

Category	Eligible Green Projects
Renewable energy	Assets aimed directly at increasing the production of renewable energy.
Clean transport	Assets aimed at improving the efficacy of the national railway system.

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REDEIA'S
SUSTAIN-
ABLE
FINANC-
ING,

59%

includes ESG criteria

The company publishes a **Green Bond Report** on its corporate website [↗](#), with detailed information on the allocation of funds from green bonds issued and the environmental impacts associated with green projects.

Lastly, it is worth mentioning that in 2023, Redeia obtained a score of 73 points in the sustainability performance assessment carried out by Moody's ESG Solutions (formerly Vigeo Eiris). This score will allow the Company to qualify for improved financial conditions in bank transactions linked to this index.



In 2023, Redeia issued the first green hybrid bond in its history, worth 500 million euros. It has also included several loans granted by the European Investment Bank to Redeia's green finance framework, recognising the contribution of these funds to the development of Red Eléctrica's transmission grid with the objective of maximising the integration of renewable energies in the electrical system.



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Sustainable financing performance at Red Eléctrica

2017

- First company in the utilities sector to transform its syndicated loan of 800 million euros into sustainable financing (green financing), linked to sustainability ratings of Vigeo Eiris.

2018

- Reduction in the cost of its syndicated loan, thanks to the improvement in the rating granted by the Vigeo Eiris rating agency.

2019

- New long-term financing of 375 million euros and 30 million US dollars, incorporating sustainability criteria.
- Drafting of the green financing framework.

2020

- Inaugural green bond issue by Red Eléctrica for an amount of 700 million euros and with a maturity of 8.5 years.
- New financial transaction in Peru for an amount of 30 million US dollars, also incorporating sustainability parameters.

2021

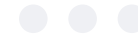
- Second issue of green bonds by Red Eléctrica for an amount of 600 million euros and a maturity of twelve years.
- New transaction in Peru of 30 million US dollars that incorporates sustainability parameters.
- First transaction in Chile (120 million US dollars) and in the telecommunications business incorporating sustainability parameters (325 million euros).

2022

- First financing transaction within the Group's satellite-based business that incorporates sustainability parameters for 250 million euros, with a 2025 maturity date and an option to be extended to 2027.
- Redeia's green syndicated loan extended to 2027.

2023

- Issue of the first green hybrid bond in the history of Redeia for 500 million euros.
- Incorporation of European Investment Bank Loans into Redeia's green finance framework.



Financial Debt structure

The transmission of electricity and the operation of the electricity system are highly capital-intensive activities, wherein investments mature over long periods. In addition, the remuneration of these assets occurs over long periods. Therefore, the financial debt of the Company is primarily contracted long-term and is referenced mainly at fixed rates.

In 2023, the Company strengthened its capital

structure by issuing a hybrid bond to prepare itself for an ambitious investment plan in the coming financial years. At the same time, it has maintained a robust liquidity position supported by the maintenance of undrawn credit facilities. As at 31 December 2021, the undrawn amount of these credit facilities is 1.676 billion euros (1,383 billion euros long-term and 293 million euros short-term). With regard to the classification of financial debt according to



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At the closing of the 2023 financial year, net financial debt stood at 4,975 million euros. The average maturity of financial debt stood at 4.5 years.



Structure of the financial debt / %

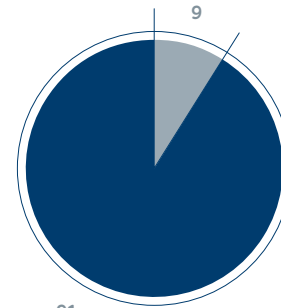
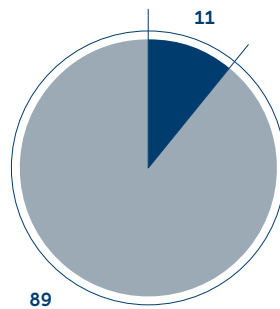
Fixed rate versus variable rate

11%

Variable rate

89%

Fixed rate



Long-term versus short-term

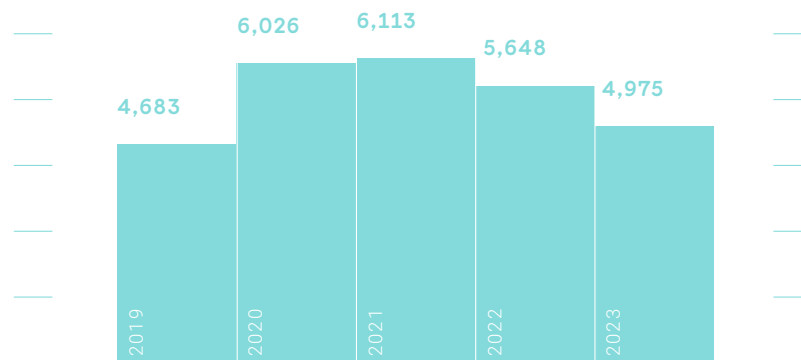
9%

Short-term

91%

Long-term

Changes in net financial debt / M€



maturity, short-term debt is defined as all debt maturing within twelve months as of 31 December 2023.

Credit rating

Red Eléctrica has been given a long-term credit rating of 'A-' with a stable outlook by both Standard & Poor's and Fitch and a short-term rating of 'A-2' from S&P and 'F1' from Fitch.

Standard & Poor's highlights in its Report that Redeia's investment is in the roll-out of its transmission grid is crucial to achieving the ambitious Spanish electrification goals with a financial policy which confirms its 'A-' credit rating.

In turn, Fitch underlines that the ratings of Redeia Corporación S.A. are supported by the Company's stable business profile and large proportion of regulated revenue.

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Tax Strategy 207-1

The **Tax Strategy** of Redeia, approved by the Board of Directors, which is available for consultation on the corporate website, is based on three core values: transparency, good Governance and accountability.

7.3

The tax strategy vision of Redeia is to manage tax matters in a proactive, transparent and responsible manner with all stakeholders, in order to comply with tax legislation and minimise reputational risk, making it compatible with the protection of shareholder value.

7.3 Tax Transparency

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The strategy sets out the courses of action and principles in tax matters, among which the following are noteworthy:

- Promoting relations with the Tax Administrations, governed by the principles of transparency, cooperation, trust, good faith, and mutual loyalty, following the recommendations of the Code of Best Tax Practices recommendations.
- Managing each activity with the appropriate identification, assessment, and control of tax risks, by establishing suitable mechanisms for coverage, prevention, reduction, and monitoring of these risks.
- The transparency of the tax information prepared, providing the information necessary for the financial markets and other stakeholders, and complying with legal and tax requirements.

The tax strategy is aligned with the Redeia's 2030 Sustainability Commitment, which defines contribution to the development of

its surroundings as one of its four priorities, and is consistent with the Group's strategic plan.

Total Tax Contribution / 207-4

In order to calculate its Total Tax Contribution, Redeia has followed the Total Tax Contribution (TTC) methodology of PwC, which has the following features:

- measure the impact of tax payments on companies.

- consider the total amount of all taxes borne (which represent an effective cost for the company) and collected (which are paid by other taxpayers for the economic activity generated), at any level of the Public Administration.

- include all tax payments made to Public Administrations.

- adapt to all worldwide tax regimes and be user-friendly, also for those who do not have fiscal knowledge.

Key data in 2023

646 M€
of Total Tax Contribution

41 %
of the value generated to pay taxes

31 % Tax Contribution compared to the revenue figure

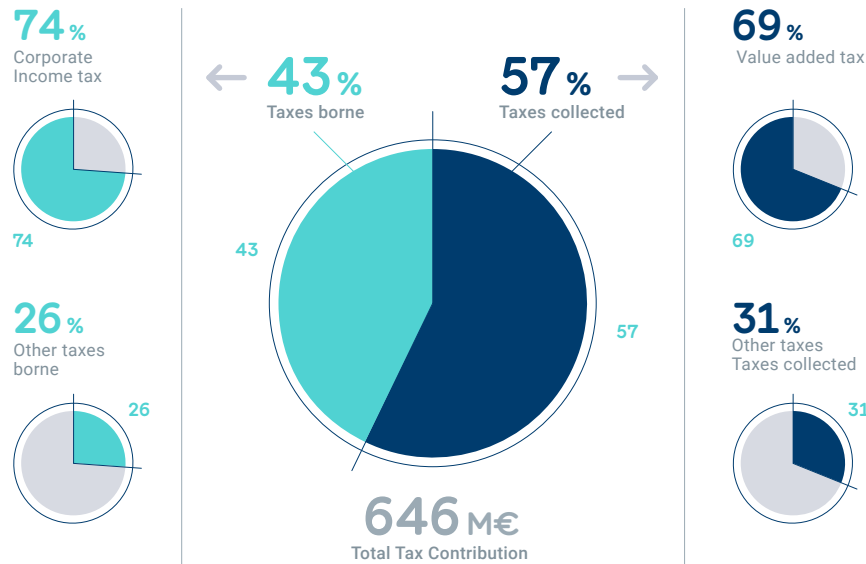
Over **3,800 M€**
of Total Tax Contribution in the period 2019-2023

91 %
of the Total Tax Contribution paid in Spain

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Total Tax Contribution / M€

Redeia's Total Tax Contribution during 2023 amounted to 646 million euros, 278 million euros corresponding to taxes borne and 368 million euros to taxes collected.



Taxes borne / %

Corporate income tax accounts for 74% of the total taxes paid to the different public administrations, mainly in Spain.

Taxes collected / %

Taxes on products and services stand out among the total tax collected in 2023, especially value-added tax (1) which accounts for 78 % of the total.



646 million euros of Total Tax Contribution
278 million euros in taxes borne and 368 million euros in taxes collected.



(1) Understood as indirect taxes equivalent to Spanish IVA (VAT) that are levied on consumption.



74% of taxes borne

646 million euros

69% of taxes collected

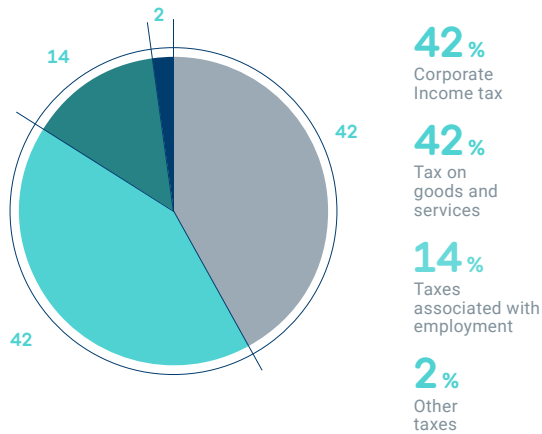
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20.93%

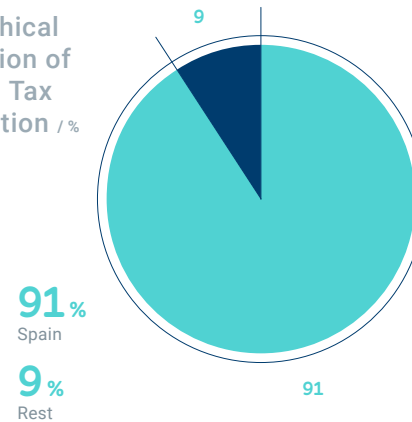
Effective corporate income tax rate

The effective corporate income tax rate in 2023 is 20.93%. The reconciliation between the current tax rate in Spain and the effective rate applicable to the group can be found in Redeia's Consolidated Annual Accounts (Note 23).

Total Tax Contribution by tax category / %



Geographical distribution of the Total Tax Contribution / %



The total Tax Contribution of Redeia to public administrations in all the countries where it operates in 2023 amounted to 646 million euros, Spain being the jurisdiction with the highest tax contribution (91%).

Tax contribution compared to revenue / %



Total tax contribution 2023 / m€

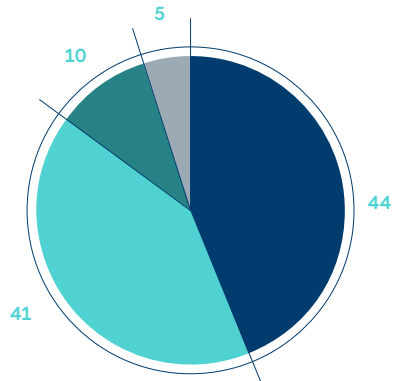
	Spain	Peru	Chile	Brazil	Mexico	Colombia	Ecuador	France	Germany	Others (1)	Total
Taxes borne	258	8	1	6	2	3	-	-	-	-	278
Corporate income tax	194	7	-	1	2	2	-	-	-	-	206
Other taxes	64	1	1	5	-	1	-	-	-	-	72
Taxes collected	333	11	2	1	4	3	1	12	1	-	368
VAT	223	9	1	-	3	3	1	12	-	-	252
Other taxes	110	2	1	1	1	-	-	-	1	-	116
Total tax contribution (2)	591	19	3	6	6	6	1	12	1	-	646

(1) Includes Luxembourg, the United Kingdom, Cyprus and Greece in Europe and the United States, Argentina, Ecuador and Venezuela in America, with amounts below 1 M€.

(2) As well as the total tax contribution, the companies' contribution consolidated by the equity method is 25 million euros, bearing 14 million euros in taxes, and 11 million euros of taxes collected.

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Value distributed tax_(t) / %



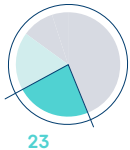
44%
Shareholders

41%
Taxes

10%
Salaries and wages

5%
Net interest

(23%)
Taxes collected



(18%)
Taxes borne



(1) Data calculated according to the Total Tax Contribution (TTC) methodology.

Weight of taxes on value distributed

Applying the Total Tax Contribution (TTC) methodology, the value distributed by Redeia in 2023 stood at 1,575 billion euros, a figure which is composed of the sum of the following elements:

- Profit after taxes or shareholder value (690 million euros).
- Taxes (646 million euros): borne (278 million euros) and collected (368 million euros).
- Net interest (81 million euros).
- Salaries and wages after taxes collected (158 million euros).

Tax responsibility 207-1 / 207-2 / 207-3

Redeia undertakes a tax responsibility commitment above and beyond mere compliance with tax legislation and tax obligations in the countries in which it operates.



Of every 100 euros of value generated by Redeia in 2023, 41 euros were earmarked to pay taxes.



Tax commitments and best practices

- Compliance with the provisions of the **OECD Guidelines for multinational companies** in tax matters. In terms of transfer pricing, Redeia acts in accordance with the arm's length principle.
- Alignment with BEPS (Base Erosion and Profit Shifting) principles and actions.
- Since 2015, Redeia has adhered to the Code of Good Tax Practices (CBPT) adopted by the Spanish Tax Authority (AEAT), which is in line with the established principles and



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In 2023, for the third consecutive year Redeia led the ranking in transparency on tax responsibility of IBEX 35 companies, obtaining the seal of tax transparency in the 't*** de transparente' modality granted by the Haz Foundation.



guidelines on tax matters in the Group's Tax Strategy.

- Since 2017, in the framework of Best Tax Practices, voluntary **presentation of the Transparency Report to the Spanish Tax Authority (AEAT)**, holding annual meetings in order to complete the

understanding and assessment of the content of the Report.

- Presentation in Spain of the Country-by-Country Reporting tax statement.
- Approval by the Audit Committee of the tax policies applied in the

annual corporate tax statement for 2023 prior to the annual presentation of the Tax Report and of the tax policies applied at the close of the 2022 accounting year.

- Publication of a voluntary **Annual Tax Transparency Report**, which facilitates access to all relevant information of Redeia related to tax matters. This publication contributes greatly to increasing tax transparency and disclosing information regarding tax issues in a way that is increasingly clear and accessible to stakeholders.
- Adoption of the **Global Reporting Initiative (GRI) standard on tax matters**. This information is externally verified by an independent third party.
- **Leadership, for the fourth consecutive year, in the ranking of transparency in corporate tax responsibility of IBEX 35 companies.**

The Haz Foundation has granted Redeia the seal of tax transparency in the 't*** de transparente' modality for obtaining a

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percentage of 100% compliance with the indicators evaluated. The study analyses the voluntary transparency of the content related to the tax obligations of IBEX 35 companies.

- Contribution to finance projects with social aims by marking an 'X' in the corporate tax box on the company's corporate income tax return. The Group earmarked 0.7% of the entire corporate income tax contribution in 2022 (1.5 million euros) to the Third Sector, reinforcing Redeia's social commitment.
- Contribution to the achievement of the Sustainable Development Goals (SDGs) of the United Nations, and especially SDG 1 (No poverty), SDG 10 (Reduce inequalities) and SDG 17 (Partnerships for the goals) through the tax contribution in all countries in which the company operates.



Control mechanisms

- A Comprehensive Risk Management System that includes any relevant tax risks for the Group. The aspects regarding the **Control and Management Policy of Tax Risks** of Redeia, approved by the Board of Directors, which are integrated into the Comprehensive Risk Management Policy, establish specific guidelines for action for managing said risks.
- An **Internal Control Over Financial Reporting (ICFR)**, which includes tax data and processes, as well as the controls associated thereto, based on the COSO ERM (Enterprise Risk Management) methodology. These processes and systems are systematically submitted to internal and external audits.
- Mechanisms in place to prevent illicit operations, money laundering and asset stripping. The **Code of Conduct and Ethics**

of Redeia establishes specific principles and guidelines for business conduct related to Tax Responsibility. In addition to this Code, noteworthy are the **Compliance Policy, the Crime Risk Prevention Manual, the Supplier Code of Conduct and the 'Guidelines for the Prevention of Corruption: Zero Tolerance'**, which can be found on the corporate website. Furthermore, Redeia continuously carries out awareness-raising and training activities to ensure that all stakeholders are familiar with the documents mentioned above. **ESRS G1-3 p. 20**



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Redeia neither has a presence nor carries out any activity in territories deemed as tax havens or non-cooperative tax jurisdictions.

- Certification of the Anti-Bribery and Crime Prevention compliance system in accordance with **UNE 19601** standard on crime prevention compliance management systems and ISO 37001 standard on anti-bribery management systems, which was first obtained in 2020.
- Innovation and technology are strategic pillars of the 2021-2025 Strategic Plan. The tax function is constantly adapting and transforming to new digital technologies.

Non-cooperative tax jurisdictions

The Code of Conduct and Ethics, and the Tax Strategy include the commitment not to create companies in tax havens or non-cooperative tax jurisdictions to evade taxes. In this regard, **Redeia neither has a presence nor carries out any activity in those territories deemed as tax havens or non-**

cooperative tax jurisdictions ⁽¹⁾ in accordance with current regulations:

- Spanish legislation contained in the first and tenth additional provisions and second transitory provision of Law 36/2006, of 29 November 2006, on measures for the prevention of tax fraud (as amended by Law 11/2021, of 9 July, on measures for the prevention and fight against tax fraud, effective 11 July 2021) and in Order HFP/115/2023, of 9 February, determining the countries and territories, as well as the harmful tax regimes (offshore business), which are considered as non-cooperative tax jurisdictions.
- List of countries and territories drafted by the European Union of non-cooperative tax jurisdictions.

The Group's presence in Luxembourg, a territory considered by certain external observers as a low-tax territory, was undertaken to ensure better access to international reinsurance markets.

(1) In August 2022, the Axxess group was acquired with subsidiaries in different countries, including a company with a registered office in Panama, which will be officially wound up in 2023.



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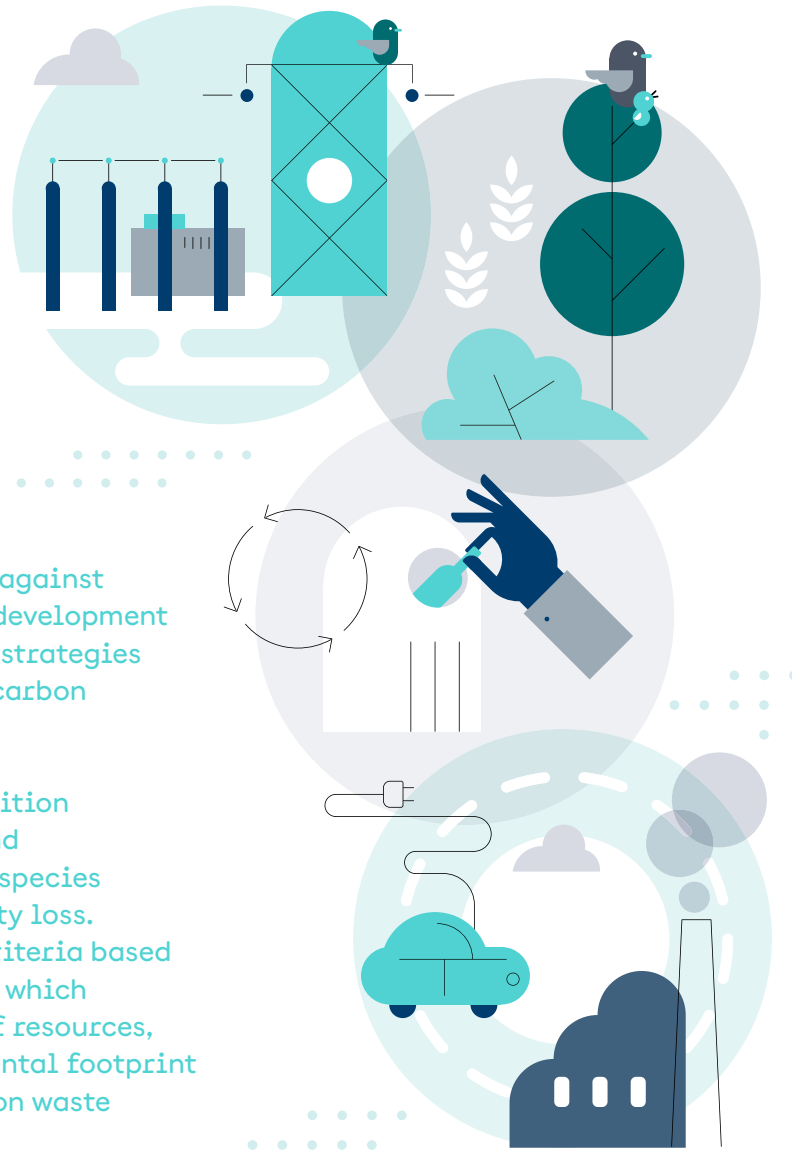
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Key Aspects

- Integration of Facilities within the Environment
- Biodiversity
- Circular Economy
- Climate Change

Redeia is firmly committed to the environment. The fight against climate change requires the development of ambitious climate change strategies that foster a commitment to carbon neutrality.

Key in this regard is the definition of goals for the protection and conservation of habitats and species aimed at reducing biodiversity loss. It is crucial to incorporate criteria based on the concept of circularity, which optimises the consumption of resources, and minimises the environmental footprint of the facilities and focuses on waste reduction.



Our Value Creation Model

1 We identify the RISKS

Tightening the environmental regulation.

The impact of changing climate parameters on facilities (including extreme environmental events).

Fires associated with installations.

2 We take advantage of OPPORTUNITIES

Integration of climate risk analysis.

Life cycle approach: consideration of incorporating environmental criteria in the projects, from the design stage to the decommissioning of the infrastructure.

3 We minimise the negative IMPACTS

Carbon footprint.

Collision of birds.

Use of land.

Natural resource consumption and generation of waste.

We maximise positive IMPACTS

We avoid and offset emissions.

Actions with a positive impact on biodiversity.

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Natural Capital

In accordance with the principles established in its **Environmental Policy**, updated by the Board of Directors in 2023, Redeia carries out all its activities taking environmental protection into account. The Policy includes, among other issues, the commitment to prevent pollution, the precautionary principles and concepts that reinforce the Company's commitment and determine the levers for improving environmental management, such as the life cycle approach, stakeholder expectations, the transfer of environmental commitment to the supply chain and anticipation in the application of environmental regulations. / **ESRS E1-2 p. 22**



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Redeia Corporación, S.A, Red Eléctrica de España S.A.U., Red Eléctrica Andina S.A., Red Eléctrica Chile SpA., Redeia Infraestructuras de Telecomunicación, S.A. and Hispasat S.A have implemented an Environmental Management System certified according to ISO 14001, which facilitates the ongoing improvement of its environmental performance. In addition, Red Eléctrica de España and Red Eléctrica Corporación comply with the requirements of the Eco-Management and Audit Scheme.

Redeia's environmental responsibility extends to its supply chain through the Supplier Code of Conduct and requires an environmental management system documented or certified by a third party for 100% of the suppliers that provide services or products that may have an impact on the natural environment. Likewise, Redeia is making progress in the incorporation of circular economy and climate change requirements in procurement decisions. / **ESRS E5-2 AR 11**

It should be noted that, for some services, the requirements in terms of training and specifications for the execution of works are part of the contractual documentation. In the case of the activities with the greatest potential impact, such as construction, enlargements, refurbishment or renovation of facilities and some maintenance activities, a part of the payment for the contracted work is conditional on the result of the environmental certification process, which implies meticulous monitoring of the established environmental requirements. / **ESRS 2 BP-2 AR 2**



Environmental expenditure

In 2023, the Group allocated 27.9 million euros to environmental issues. In particular, ordinary expenditure for the protection and improvement of the environment regarding the management and operation of the electricity infrastructure business in Spain totalled 23.9 million euros. This was mainly dedicated to the protection of biodiversity, the prevention of forest fires, landscape integration, dealing with climate change and the prevention of pollution. Furthermore, of the 24.9 million euros of the Group's environmental expenses, 0.56 million corresponds to activities dedicated to the circular economy, and optimisation of resource consumption. / **ESRS E5-2 p. 17 / ESRS E1-3 p. 26 / ESRS E4-3 p. 25**

The amount allocated to environmental issues associated with investment projects stood at 2.9 million euros. In the activities of Redinter and Hispasat, more than 1.4 million euros have been allocated to environmental protection and improvement.



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Integration of Facilities within the Environment



8.2
Biodiversity

8.3
Circular Economy



8.4
Climate Change

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8.1

Key indicators in 2023

More than 30 Environmental Impact Assessments (EIA) performed.

100% of Red Eléctrica facilities comply with the regulations on electromagnetic fields.

Five works on substations and 22 works on existing lines or under construction with archaeological supervision

Milestones 2023

Carrying out the noise plan

Development of the strategy to blend the substations associated with the Tenerife-La Gomera electricity interconnections project into the surroundings.

Challenges for 2024

Complete the noise plan.

8.1 Integration of Facilities within the Environment

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Location of the facilities

ESRS S3-4 p. 30 / ESRS S3-4 p. 32 (d) / ESRS S3-4 p. 33 (a) / ESRS S3-4 p. 33 (b) / ESRS S3-4 p. 33 (c) / ESRS S3-4 p. 35

In Redeia, the consideration of environmental and social variables at all transmission grid development stages is fundamental. This includes carrying out a viability analysis of the facilities before their incorporation into the electricity planning proposal that Red Eléctrica, as System Operator, submits to the Ministry of Ecological Transition and the Demographic Challenge (MITERD).

Once Grid Planning has been approved, which undergoes a strategic environmental assessment procedure, the Company conducts a detailed study of the territory and defines, in coordination with the various public administrations and main stakeholders, the sites where the substations are to be located. Over the last three years, the Company has worked intensively



The main measure to reduce or even avoid undesirable impacts of the Company's facilities on the environment and local communities, is that of the site selection.



on the infrastructure of the 2021-2026 Transmission Grid Planning, approved in 2022, and has held numerous meetings and made many visits to the areas being studied to reach a consensus on its future implementation.

Furthermore, in order to reduce the potential impacts of the infrastructure as much as possible, it is necessary to establish the appropriate preventive and corrective measures to be applied during the construction and maintenance phases. The main tool for defining the best project

and appropriate preventive and corrective measures is the **environmental impact assessment** procedure, which most of the Company's projects are subject to by law. In addition, facilities that do not require an environmental procedure under current legislation are voluntarily submitted to consultations with the managers of the Natura 2000 network or with the public administration for the evaluation of their possible environmental impact.

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In 2023, the majority of the files included in this planning were processed, once the annual cycles of birdlife necessary for the environmental impact studies were complete, resulting in more than 18 Environmental Impact Studies and 33 Environmental Documents or RN2000 Impact Reports.

In order to ensure that the established measures are launched and effective, **environmental monitoring** programmes are defined and carried out by the Company. These are applied in the construction of the facilities and in the first years of operation and facilitate the definition of new measures if deemed necessary.

For facilities in service, the Company conducts periodic inspections to verify compliance with environmental standards. It should be noted that the Company has a **maintenance management system or territorial observatory**, which integrates into the corporate mapping system all the environmental, social, cultural and technical conditioning factors that must be taken into account when carrying out and processing maintenance work on facilities (more than 70 levels of detailed information covering 200 metres on both sides of each transmission line).

Among the preventive and corrective measures applied, the most important are those for the conservation of biodiversity aimed at the protection



Red Eléctrica conducts an environmental assessment and establishes a voluntary communication channel with the competent public administration, even though the law does not require a regulated procedure.



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of habitats and species and those aimed at reducing potential impacts on the socio-economic environment. Information on these measures is

expanded upon in the chapter on **Biodiversity** ↻ in this Report.

Development and implementation phases for transmission grid infrastructures

Infrastructure proposal

(drawn up by Red Eléctrica)

Environmental Feasibility Study:

- Analysis of all proposals from an environmental point of view.
- Only includes environmentally viable projects.

Electricity planning

(drawn up by MITERD)

Strategic environmental assessment of plans and programmes.

Public participation of stakeholder groups through the submission of comments and/or arguments.

Project design

(new facilities and modifications)

Prior dialogue with stakeholders before defining the project.

(Autonomous Communities, local councils and NGOs).

Environmental Impact Assessment:

1. Prior consultation with stakeholders.
2. Defining the alternative of the least impact.
3. Public information and submission of comments by stakeholders.
4. Proposal for preventive and corrective measures.
5. Publication of results.
6. Environmental authorisation.

Construction or modification of installations

Implementation of preventive and corrective measures.

Environmental monitoring (monitoring of preventive and corrective measures).

Monitoring of the work of contractors regarding compliance with environmental requirements.

Environmental certification of works taking into account compliance with environmental requirements.

Maintenance

Environmental monitoring programmes in the initial years of operation of a facility.

Periodic inspections of facilities to verify compliance with standards and identify improvement measures.

Application of environmental improvement measures.

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Relationships with stakeholder groups

ESRS S3-4 p. 30

One of the most relevant issues regarding the integration of facilities into the environment is the improvement of their social acceptance. In this regard, Redeia works tirelessly to implement public consultation and participation processes to strengthen stakeholder engagement, as described in the **Stakeholder Management Model** ↪ section of this Report. Among other objectives, the Company aims to provide greater and more detailed stakeholder information, enrich the environmental impact assessment processes of projects and minimise possible conflicts.

During 2023, relationships with stakeholder groups have been improved regarding the most significant aspects with which they interact with Redeia infrastructures during their lifecycle: marine world, birdlife, fires and electromagnetic fields, as set out in the Environmental Studies, to obtain their authorisation. For this reason, it has been systematised

how to address them in the coming years and the type of initiatives that should be proposed, in search of deeper knowledge by both sides and strengthening relationships of trust.

Socioeconomic environment

413-2

Social aspects are integrated both into the environmental assessment carried out in the design phase

Main conditioning factors in the definition of locations for the siting of facilities and accesses regarding the socioeconomic environment

- Incompatible use of land.
- Areas of high agricultural yield and agroforestry plantations.
- Touristic aspects of the territory.
- Cultural resources.
- Landscape.

Main preventive and corrective measures related to the socioeconomic environment

- Use of existing access paths.
- Use of special techniques (e.g. use of crane or helicopter) to install towers.
- Restoration of areas affected by work: geomorphological recovery of the land, replacement of stones or replanting of crops, restoration of slopes, repair of roads, accesses and enclosures. (*)
- Measures to control particle and dust emissions in work areas (mainly periodic watering down measures. A meshed filtering system and a riprap are installed for this purpose).

(*) These restorations may be accompanied by other improvement measures agreed upon with the landowners, such as the construction or improvement of infrastructure (forest tracks, paths, water crossings, irrigation channels, enclosures), clearing work, tree planting and other specific actions of greater scope.

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of the facilities and in the management of infrastructure throughout their useful life.

While substations involve a total and irreversible occupation of the land, in the case of lines, occupation is limited to the footings of the towers and the sections of the newly created access routes. The area of land beneath the overhead electricity lines is only subject to a right of way during the lifecycle of the facility.

Agricultural activities are compatible with the lines, allowing all types of crops to be grown underneath them and the free circulation of the machinery necessary for their management.

Noise

Sometimes, electricity substations can be a nuisance to residents due to the noise generated by some of their elements. The Company works on the implementation of the most effective measures for mitigating noise pollution.

Following the analysis of the noise produced by the 134 substations with power transformers, a programme of direct measurements was established in the 55 facilities with population in their vicinity, which was completed in 2022 with the measurement of nine substations.

Despite adjustments made to some transformers to reduce their noise emission levels, there are still four substations that exceed the desired limits for land designated for residential use.

In 2022, acoustic imaging cameras were used to identify the specific sources of noise in each case in order to establish the corresponding action plan in 2023. This plan consisted of starting work to erect two acoustic shields and a silencer on the two machines generating noise in the La Eliana substation in Valencia, replacing fans with more efficient models in the San Jorge transformer



(Balearic Islands) work that will be completed in the first quarter of 2024, and the tender for the works in the other two substations: Can Barba (Catalonia) and Grijota (Castille and Leon), to install shields in 2024.

Light pollution

In certain locations, the night-time lighting of substations can become a source of light pollution.

Red Eléctrica has limited potential pollution as much as possible, thanks to the implementation of different measures that have allowed the substations to be switched off at night (83% of the total).

Blending facilities into the landscape

The integration of electricity transmission infrastructure into the environment is one of the main challenges for Red Eléctrica. The use and continuous development



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of visual impact assessment tools allows comparisons to be made between different project alternatives,

which facilitates the selection of the best design of the facilities and communication with stakeholder

Tools

Visibility analysis of electricity lines and substations

The analysis considers the height of the towers and other elements and incorporates the elevations of vegetation and existing buildings, extracted from LIDAR data. In this way, the surfaces from which the different alternatives will be visible are obtained, facilitating the decision-making process and allowing their optimal integration into the environment. INGEOIN is a module for the development of projects from the Red Eléctrica bespoke Geographic Information System.

Visibility analysis of electricity lines and substations in a 3D environment

In Areas of Special Landscape Impact, the weighted visibility maps are completed with 3D simulations that are progressively improved to increase their realism and, therefore, their potential for being used in communication actions with stakeholders.

Design of the stakeholder group management methodology

Develop a methodology that involves stakeholder groups in the development of future projects for facilities in the transmission network.

Hyperrealistic Studio Max virtual photomontages

Visual simulations of strategic points for the different alternatives studied, to improve understanding of the impact of the works and to improve decision-making in different forums (local councils, autonomous governments, etc.). Of note is the creation of hyper-realistic virtual photomontages for the new Antas SE 400 Kv (planned as SE La Ribina) and for the Breñas-Valle L/66 kV.

Integration measures

Restoration of affected areas

Following the finalisation of the works, topsoil was provided, slopes were prepared, and sowing and planting works were conducted.

Landscape integration of substations and power converter stations

Development and designs adapted to the environment, applying measures that allow them to blend in: selection of colours and textures in accordance with each area (buildings and enclosures), creation of gardened areas with vegetation screening, etc.

Standardisation and design of towers that blend better into the landscape

In frequently visited environments of outstanding natural beauty, the use of certain types of towers makes it possible to better integrate the facilities into the landscape and therefore favour their viability.

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For 2023, it is worth mentioning the strategy of blending substations into the surroundings as part of the interconnection project between the El Palmar (La Gomera) and the Chio (Tenerife) substations that at the same time expresses the relationship between substations with a unique chromatic connection in red that represents the volcanic origin of the islands and its geological link.



groups. These tools, added to the application of measures that allow them to blend in, makes it possible to better integrate the facilities into the landscape.

On the other hand, the development of hyper-realistic virtual photomontages for the new 400 kV SE at Antas (planned as SE La Ribina) and for the Breñas-Valle L/66kV, to provide better understanding of the impact of the

works, and to improve decision-making in different forums (local councils, autonomous governments, etc.) where meetings and presentations of these important initiatives take place.



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During 2023, Red Eléctrica carried out archaeological monitoring of 5 works in substations and 22 works on existing lines or on lines under construction, with exhaustive supervision being necessary for the vast majority of cases (more than 83%) of substations and lines.



Protection of cultural heritage

The protection of national cultural and heritage is an important factor in the design and construction of Red Eléctrica facilities.

Before carrying out any earthworks, the Company carries out an **archaeological survey of the**

terrain, the intensity and scope of which depend on the probability that there is material of interest in the area. According to the results, the need for the continuous presence of an archaeologist during the works are determined and, if necessary, the preventive and corrective measures to apply during the works is defined. These measures mainly consist of avoiding, protecting and restoring certain information on elements of cultural heritage present, although on some occasions, cataloguing, excavation and even musealisation is carried out.

In 2023, work was done to clean and restore a set of three fortifications built in the municipality of La Oliva during the second world war, on the island of Fuerteventura in the Canary Islands archipelago.

Thanks to the ArqueoRED corporate map of catalogued information, the Company has catalogued cultural heritage nationwide. Consultation



of this information prior to carrying out management and maintenance work on the facilities allows the necessary measures to be defined in each case and to avoid potential damage to listed cultural heritage assets.

In addition, Red Eléctrica actively collaborates with the public administration in the conservation of heritage by developing cultural projects and promoting the signature of cooperation agreements

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on heritage assets in the vicinity of existing and planned facilities.

Electric and magnetic fields

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Thanks to the criteria applied by Red Eléctrica in the design of its facilities, the levels of electric and magnetic fields (EMFs) stay below those recommended by the Council of the European Union (The Official Journal of the European Communities 1999/519/EC: establishes exposure limit values for the general public in sites where they may remain for a period of time at 5 kV/m for electric fields and 100µT for magnetic fields). The main criteria applied are the following:

- Construction of double circuits and transposition of phases in lines.
- Increasing the height of towers, thus increasing the safety distances.

- Establishing the minimum distance of electricity lines from population nuclei and isolated houses.

In order to verify compliance with the recommendation, Red Eléctrica has a tool that uses specific line parameters to precisely calculate the maximum EMF levels that said facilities could generate, meaning that it is not necessary to carry out on-site measurements except when the values of the parameters required for the calculation are not available (as is the case of very old facilities for which a specific measurement plan has already been carried out). In 2023, this tool was used to assess the field generated for the compacting of a 220 kV line (double circuit Mangraners - Begues) with another 400 kV line (Maials-Rubí), compacting requested in an Environmental Impact Assessment (EIA).

During 2023, the screeding of tower 109 of the 400 kV José Cabrera Loeches double circuit line was carried out since, although it already complied with EMF values,



Red Eléctrica finances and collaborates in a project led by the Ministry of Health to identify the extremely-low-frequency magnetic field values to which the population in Spain is exposed, in order to verify the degree of compliance with the European recommendation and to assess a possible legislative proposal.



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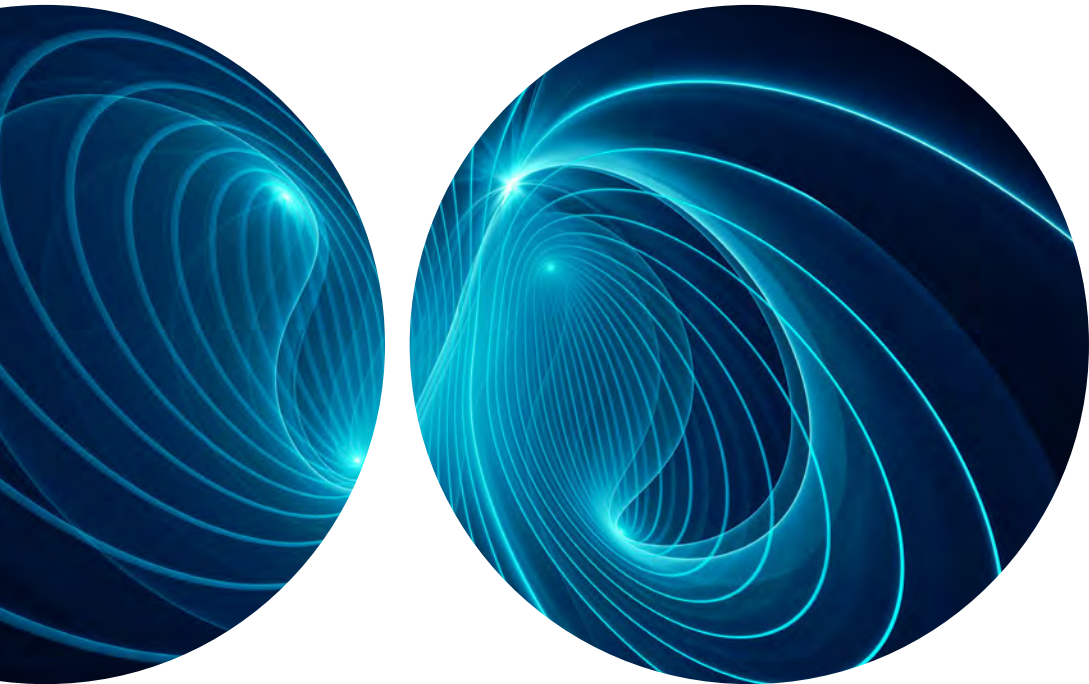
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Red Eléctrica assesses compliance with the regulations on electromagnetic fields for 100% of its facilities.



the Transport consortium had built some bus stops that were unlawful in terms of distance to the driver.

Additionally, aware that electromagnetic fields are a subject of great interest in the territories where electricity facilities are located, the company is particularly painstaking with these matters. Its main courses of action are:

- Participation in national and international forums and working groups (ENTSO-e, CIGRE and EPRI) and collaboration with the public administration (MITERD) and prestigious entities such as the Salvador Velayos Institute of Applied Magnetism. In this regard, it is worth highlighting the project launched in 2022, financed by Red Eléctrica and led by the Ministry of Health, in which various scientific groups and Universities are participating to determine the distribution and intensity of extremely-low-frequency (ELF) magnetic fields in various geographical locations. Knowing the values to which the population in Spain is exposed in different environments (urban,



residential and rural) allows the degree of compliance with Recommendation 1999/519/EC to be verified and to have rigorous and recent data available to assess a possible legislative proposal to reduce the social controversy regarding electromagnetic fields. In 2023, this study was completed and its conclusions were presented, including the values to which the population is exposed in similar environments to those found in the vicinity of electricity transmission facilities.

- Information is conveyed to stakeholders by means of the corporate website for the publication of new developments in scientific research in this regard, and the publication of the effects of electromagnetic fields on human health, as well as responses to enquiries received through the corporate DÍGAME service.

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Key indicators in 2023

ESRS E4-5 p. 33

0.08% occupation of protected areas in Spain, 0.02% in Peru and 0.0007% in Chile.

767.4 km marked in critical priority areas (77.4% of the total identified)

1,041 ha recovered as part of the 'Redeia Forest' project.

2 ha of Posidonia oceanica in the marine forest (survival rate of fragments above 94%).

More than 15 biodiversity agreements signed in effect.

Milestones 2023

Calculation of the baseline and quantitative impact (negative and positive) on biodiversity implemented in projects for new facilities).

Challenges for 2024

Identify and assess the impacts, dependencies, risks and opportunities and publication regarding biodiversity aligned with the guidelines set out in the TNFD with respect to the 2024 financial year.

Implement the catalogue of measures to offset the impact on biodiversity.

Recognitions

Winner of the '10th Anniversary All-Star Award' with the 'Redeia Marine Forest' project and finalist in the 'Good Practice of the Year' for the ECON-crete initiative for restoring marine life by the Renewables Grid Initiative (RGI) organisation.

8.2 Biodiversity

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Redeia is dedicated to establishing a sustainable business model that recognises the importance of biodiversity as a fundamental pillar of its business strategy. The Company is aware of the risks associated with biodiversity loss and directs its activities towards generating a positive impact by adhering to the mitigation hierarchy.

Commitment to Biodiversity
ESRS E4-2 p. 20 / ESRS E4-2 p. 24 (a)

The protection and conservation of biodiversity have consistently remained a top priority within the Company's environmental management. It has placed great emphasis on this and has established a **specific Commitment to biodiversity** updated in 2023. The commitment includes the objective of generating a positive impact on biodiversity in areas where it operates for 2030, a challenge within the sustainability objective to generate a **net positive impact on natural capital** within the surroundings of its new facilities⁽¹⁾ in 2030.

(1) Facilities subjected to the environmental assessment process since the approval of the Commitment to Biodiversity by the Board of Directors on 30 May 2023.

Redeia optimises work and resources to have a positive impact on biodiversity, so that based on its Environmental Policy and its Commitment to biodiversity, it achieves its goals more efficiently, both in its own operations and those of suppliers and partners.

Explicitly, and as part of both its Commitment to biodiversity and its Commitment to combat climate change, Redeia also has a specific Commitment to protect vegetation and fight against deforestation in the execution of its activities and those of its supply chain. / **ESRS E4-2 p. 24 (d)**



Through its commitment to Biodiversity, Redeia seeks to achieve a positive impact on biodiversity and 'living in harmony with nature' in line with the 2050 Vision of the United Nations Convention on Biological Diversity.



Commitment to biodiversity: priority lines of action

- 1**

Positive leadership.
- 2**

Management of risks and opportunities related to natural capital and biodiversity.
- 3**

Positive impact on habitats and species.
- 4**

Increasing biodiversity knowledge and promoting action.
- 5**

Promoting the reduction of the biodiversity impact within the supply chain.

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Objectives related to biodiversity

Redeia has defined a series of objectives with a **scope extending to 2025**, aiming to work towards a positive impact on biodiversity by 2030.

Objectives for 2025 in biodiversity

ESRS E4-4 p. 29 / ESRS E4-4 AR 26 (b) / ESRS E4-4 AR 26 (c)

Measurement and valuation of the impact on biodiversity

- Implementation of a financing accounting assessment system regarding natural capital in biodiversity in Red Eléctrica.
- 100% of the Group's companies in the electricity business with a baseline regarding the potential impact on biodiversity.

Biodiversity-related risks and opportunities

- Identification of risks and opportunities for natural capital and biodiversity in Red Eléctrica.
- 100% of critical spans marked with bird-saving devices (Red Eléctrica).

Habitat protection and restoration: protected areas or areas of high biodiversity value

- Carrying out emission offsetting projects, associated with the Commitment to protect vegetation and combat deforestation, for 100% of investment projects.

Recovery and conservation of vulnerable and endangered species

- Recovery projects for 10% of the faunal groups with marine and terrestrial focal species.

Eradication of invasive species associated with electricity transmission infrastructure

- Prevention and control plans for invasive species for at least 30% of the identified area.

Electricity infrastructure as a biodiversity reservoir

- 20% of the km of electricity lines in Spain identified as 'Biodiversity Islands', consolidated as a biodiversity reservoir and corridor, and a tool for adaptation to the effects of climate change.



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In 2023, Redeia carried out an initial identification and evaluation of impacts, the result of which is a materiality matrix of impacts on biodiversity.



Impacts, dependencies, risks and opportunities of biodiversity

ESRS E4 IRO-1 p. 17 (a) / ESRS E4 IRO-1 p. 17 (b) / ESRS E4 IRO-1 p. 17 (c)

In 2023, Redeia carried out an initial exercise to identify and evaluate the most relevant impacts, and dependencies in biodiversity for the electricity transmission activity, this being the Company's main activity.

As a result of this exercise, a matrix of materiality or relevance of environmental impacts on biodiversity was obtained, which includes natural assets such as habitats, species (flora and fauna), and landscapes that experience greater impacts. The Company has completed the exercise with an initial

identification of priority ecosystem services from the point of view of relevance of impact.

The results obtained have been cross-checked using the ENCORE (Exploring Natural Capital Opportunities, Risks and Exposure) tool, adjusting it as closely as possible to Red Eléctrica's business model (Utilities, Electric Utilities, Electric Transmission and distribution).

At the same time, a location specific approach began on a focus aligned with the guidelines established by the Taskforce on Nature-related Financial Disclosures (TNFD) and the Science Based Targets Network (SBTN) to identify and evaluate the nature-related



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Redeia matrix of materiality or relevance of biodiversity

ESRS E4 SBM-3 p. 16 (b)

impacts, dependencies, risks and opportunities derived from the activities carried out by the companies that make up the Group.

This work makes it possible to respond to the requisites and requirements in the area of biodiversity requested by the different Reporting frameworks and sustainability indexes for 2024, enabling it to provide the information and act on the changes in risks related to biodiversity.

Impact on biodiversity
ESRS E4-1 p. 11 / ESRS E4 IRO-1 p. 17 (a)

Redeia has identified and established the relevance of potential impacts on biodiversity of its activity to avoid, minimise, remediate, or offset the associated impacts, in line with the mitigation hierarchy included in the Group's Commitment to biodiversity.

The potential impacts or effects stem from actions carried out in each phase of construction,

Aspect	Potential impact of impact	Materiality
Consumption of resources and generation of waste	<ul style="list-style-type: none"> • Consumption of raw materials by the supply chain necessary for the manufacturing of equipment and materials used in the different phases of the activity. • Generation of hazardous and non-hazardous waste. 	Medium
Habitats, species	<ul style="list-style-type: none"> • Destruction and/or alteration, modification of terrestrial and aquatic habitat conditions. • Fracturing of ecosystems. • Displacement of species. • Collision of birdlife with grounding cables. • Elimination of protected vegetation/flora. • Fire generation and propagation. 	High
Air quality	<ul style="list-style-type: none"> • Dust and particulate emissions during the construction phase. • Emission of combustion gases from vehicles. 	Low
Noise	<ul style="list-style-type: none"> • Noise emissions from the transit of machinery on land or the use of vessels at sea. 	High
Soil	<ul style="list-style-type: none"> • Change in the use of land. • Soil compaction. • Erosion. • Degradation of the soil environment. • Variations in soil quality due to accidental spills of oils and fuels. 	Low
Water	<ul style="list-style-type: none"> • Damage to waterways due to the circulation of machinery. • Interruption/modification of the drainage network. • Variations in water quality due to accidental spills of oils and fuels. 	Low
Landscape	<ul style="list-style-type: none"> • Visual impact. • Loss of landscape quality. • Artificialisation of the territory. 	High
GHG emissions	<ul style="list-style-type: none"> • SF₆ emissions. • CO₂ emissions. 	Medium
Electromagnetic fields	<ul style="list-style-type: none"> • Generation of electric and magnetic fields. 	Low

Note. The main impacts of the telecommunications business are produced throughout the supply chain.

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operation, and dismantling carried out by the Company, identified through the **ENCORE** (Exploring Natural Capital Opportunities, Risks and Exposure) tool, with an internally conducted analysis to adjust the results obtained to the reality of the activity of Redeia.

Likewise, the Company has identified the **ecosystem services associated** with the activity were identified in terms of their high materiality based on the Common International Classification of Ecosystem Services (CICES). The ecosystem services are included in the section on natural capital indicators in this chapter.

Biodiversity dependencies
ESRS E4-1 p. 11 / ESRS E4 IRO-1 p. 17 (b)

Dependencies are assets and ecosystem services that enable the viability and sustainability of business models. Identifying dependencies makes it possible to identify the most adequate strategies and reduce such risks arising from these dependencies.

Redeia has used the assessment criteria indicated by the Science Based Targets Network (SBTN), and the Taskforce of Nature-related Financial Disclosures (TNFD) proposal, and the guidelines provided by the ENCORE (Exploring Natural Capital Opportunities, Risks and Exposure) tools were used. These

were then reviewed internally with expert judgement based on the specific solutions adopted at each stage of the activity.

In this regard, the dependencies considered material based on the criteria indicated by the SBTN are attributable, in relation to the main

Material dependencies in biodiversity for Redeia

Dependency	Materiality	Description ecosystem service	Natural assets provided
Climate regulation	Medium	Global climate regulation is provided by nature through the long-term capacity to store CO ₂ in soils, plant biomass, and the oceans. On a regional scale, the climate is regulated by ocean currents and wind systems while, at local and micro level, the presence of vegetation has the power to influence and modify temperature, humidity, and wind speeds.	<ul style="list-style-type: none"> • Atmosphere • Habitats • Soils and sediments • Species • Water
Protection against flooding and storms	High	Flood and storm protection is provided through the shelter, buffering and attenuation effects of natural and planted vegetation.	<ul style="list-style-type: none"> • Habitats
Stabilisation and erosion control	High	Erosion stabilisation and control is achieved through protection by vegetation cover and stabilising terrestrial, coastal and marine ecosystems, as well as wetlands and coastal dunes. Vegetation on slopes also prevents avalanches and landslides. Mangroves, seaweed and macroalgae provide protection against coastal erosion.	<ul style="list-style-type: none"> • Habitats • Geomorphology of the soil • Soils and sediments

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direct activities, to the priority ecosystem services for the operating of the infrastructures.

Regarding the upstream supply chain, the Company identified that primary dependency lies in the use of raw materials, both mineral and non-mineral, for the construction and operation of electricity transmission lines (both overhead

and underground), substations, equipment, etc.

Lastly, a high indirect dependence on ecosystem services linked to the natural asset 'landscape' was identified when mitigating ecosystem services linked to the visual impact that transmission lines may generate, in order to avoid future social conflicts.



Tools and methodologies to address biodiversity impacts and dependencies ⁽¹⁾ / **ESRS E4-1 AR 1 (b)**

The consumption of resources and the generation of waste

- Circular Economy Roadmap
- Supplier Code of Conduct.
- Specific criteria for suppliers regarding environmental impacts.

Habitats, species

- Methodology for analysis and quantification of impacts and dependencies of ecosystem services.
- Methodology for calculating the biodiversity baseline in terms of natural capital.

Soil and water

- Environmental monitoring programmes applied in the construction of the facilities.
- Methodology for the assessment of environmental risks in substations and overhead and underwater cables.
- Emergency Intervention Service in the event of environmental accidents.

Impact on the landscape

- Landscape analysis and integration methodology.
- Methodology for visibility analysis of electricity lines.

Contribution to climate change

- Methodology for analysing the visible impact of electricity lines.
- Alignment with climate risk measurement and Reporting tools (TFCD).
- Climate risk management, measurement and monitoring tools.

(1) In addition to the aforementioned tools, a number of projects are implemented to contribute to the objective of achieving a positive impact on natural capital.

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Biodiversity risks

ESRS 2 BP-2 AR 2 / ESRS E4 IRO-1 p. 17 (c)

The assessment and management of biodiversity risks related to identified impacts and dependencies are integrated into multidisciplinary risk management processes in accordance with the ISO 31000 standard on risk management principles and guidelines.

In the case of biodiversity risks, an approach aligned with the guidelines set out in the TNFD and SBTN was implemented.

In 2024, Redeia will implement the nature-related risk management principles aligned with TNFD once a definitive version is published at the end of 2023.

In the case of the dependencies identified, the risks derived from them are initially aligned with some of the physical risks associated with climate change identified by the Company, following the recommendations of the **Task Force on Climate-Related Financial Disclosures (TCFD)**. The risks are as follows:

- Impact on facilities (electricity lines) due to extreme events (wind, storms, etc.).

- Fires beneath electricity lines and in the vicinity of electricity substations.
- Damage to infrastructures, associated with desertification conditions (erosion).

The detailed information on these risks can be found under the heading of Risks associated with climate change in the chapter on **Risk Management** ↪ of this Report.

Risks to biodiversity

	Level of risk
• Impact on vegetation due to fire (habitats).	Medium
• Impact on birdlife regarding transmission grid facilities (species).	Low
• Contamination of soil or ground, surface or marine water due to leaks or spills of oils, fuels and hazardous substances (soil).	Medium



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Biodiversity management: mitigation hierarchy

ESRS E4-1 AR 1 (d) / ESRS E4-3 p. 28 (a) / ESRS E4-3 AR 19 (a) / ESRS E4-3 AR 19 (b)

The potential effects on biodiversity of direct operations are associated with the presence of facilities within the environment and the construction works and their maintenance.

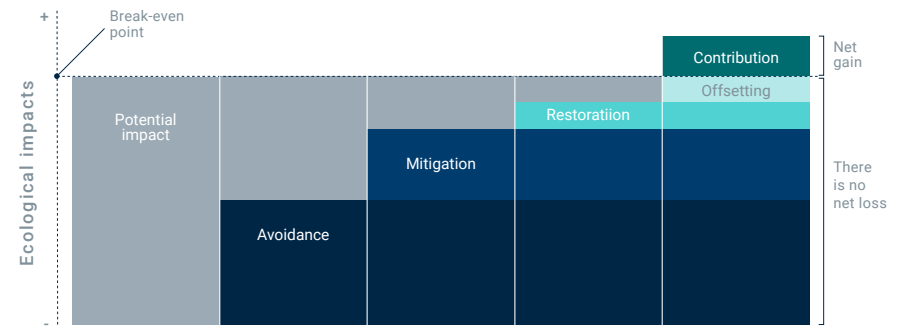
Biodiversity management is carried out using the hierarchy of impact mitigation approach to achieve a net positive impact.

Avoiding areas rich in biodiversity is one of the priority criteria taken into account and is the first considered in the location of the facilities both in the grid planning phase as well as the definition of each project. However, bearing in mind that 25% of the surface area of Spain has some form of environmental protection, it is inevitable that in some cases infrastructure will cross or be located in protected areas or areas with species of interest.

On these occasions, all the necessary preventive and corrective measures are implemented to **minimise** the possible effects, including the

restoration of the affected areas, where possible, or **regeneration** measures that improve the biophysical function of existing

Hierarchy of mitigation of impacts on biodiversity



Avoidance. Appropriate design of facilities in the planning and project phases to avoid the development of new infrastructure in areas rich in biodiversity and forest areas. It should be noted that the methodology for the preparation of environmental impact studies establishes the requirement of not affecting areas protected for their ecological, biological, cultural or landscape value or in areas classified as of high value for biodiversity and determines numerous conditioning factors in relation to areas with the presence of focal bird species and native flora.

Mitigation and restoration. Definition and application of preventive and corrective measures to minimise impacts as far as possible. These include measures aimed at the protection of habitats and vegetation during construction and maintenance work, the restoration of affected areas once the work has been completed, actions to minimise the risk of birdlife collisions and the management of transmission line safety corridors to reduce the risk of fire.

Offsetting emissions and positive contribution. Complementary environmental improvement measures, reforestation work and development of biodiversity protection and conservation projects.

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Currently, Red Eléctrica facilities occupy just 0.08% of Red Natura land in Spain.^(*) Of the total infrastructures existing, only 15.40% of total line and 5.63% of substations are in protected areas (Red Natura 2000).



processes and the productivity of the ecosystem.

Lastly, the residual impacts that may continue to exist after application of the measures, are offset by the application of different environmental improvement measures and projects to strengthen biodiversity in the vicinity of the facilities, promoting

(*) ESRS E4 SBM-3 p. 16 (a) iii. / ESRS E4 IRO-1 p. 19 (a)

the development of measures and projects and collaborating with the administration, non-governmental organisations, research bodies and other stakeholders. These measures and projects are aimed at offsetting the impacts that may generate **positive impacts** on biodiversity.

The main effects on biodiversity derived from the activities may be produced on habitats and species. The former would be associated primarily with the impact on vegetation of felling and clearing to open up safety corridors for lines necessary to prevent fires and the latter with the risk of birdlife colliding with the grounding cables. / **ESRS E4-1 p. 11 / ESRS E4 IRO-1 p. 19 (a)**

Red Eléctrica uses a **quantitative valuation of impacts (negative and positive) on biodiversity.**



This methodology is applied in the environmental impact studies of the new projects for lines and substations defining the impact baseline and making it possible to establish different measures in the design phase to generate a positive impact in terms of biodiversity throughout the life cycle.

The methodology was first implemented in early 2023 in **new projects** in the energy transmission grid in Spain and presented for processing to obtain the environmental impact statement. The methodology enables measurement of progress using a bottom-up approach and ensures compliance with the objective of positive impact on biodiversity for 2030 established by the Group with biodiversity (Redeia).

The design of the process is based on a vision of natural capital with which it is intended to offset the **residual impact** of the product on different **natural assets** permitting the projects to be designed applying criteria of positive gain in biodiversity.

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Methodology for quantitative valuation of impacts on biodiversity

The valuation methodology provides quantitative information on the residual impact of a project on natural assets to be compensated in order to design and establish compensation measures to achieve a positive gain in biodiversity.

The natural biodiversity assets on which Red Eléctrica has designed its impact assessment methodology and application of the mitigation hierarchy are those which may potentially have significant residual impacts throughout the life cycle of the project and contribute to the causes of biodiversity loss:

- Natural asset Habitat (Natural forest habitats, non-forest and agricultural habitats [vegetation] and land use).
- Natural asset Species (specifically birdlife).
- Natural asset Atmosphere.

This way of working on new energy transmission grid projects in Spain allows nature and biodiversity to be incorporated into the Company's decision-making processes in line with stakeholder demands, recommendations and guidelines (regulatory, financial and voluntary) at the European and international level.

Mitigation measures

Throughout the life cycle of both its activities and the different

development phases of its facilities, Redeia establishes a series of mitigation measures aimed at reducing dependencies and impacts on biodiversity.

Main regeneration measures

Maintenance of vegetation beneath electricity lines ↻ encourages an increase in pollinators, butterflies that improve yields of crops dependent on pollinators, creating spaces for **livestock grazing**.

Mitigation measures / ESRS E4-1 p. 11 / ESRS E4 IRO-1 p. 19 (a)

Avoid

Main Avoidance Measures

- Introduction of modifications in the design and layout of the facilities.
- Prior surveys to identify the presence of protected fauna and flora.
- Detailed field studies on specific issues related to biodiversity.
- Construction of decanting ponds and filters to avoid contamination of waterways.
- Use of sensitivity and risk maps that identify both sensitive species and habitats (flight paths).
- Signposting and protection of habitats and specimens of ecological value.
- Use of construction techniques that minimise earthworks and land occupation: hoisting with a boom crane, hanging of cables by hand or work with helicopters or drones.
- Recovery and setting aside of topsoil for use in final landscaping works.
- Transplanting of flora species that may be affected by the work to other areas to be replanted.
- Biological stoppages in 100% of the works during breeding or nesting periods.
- Stoppage of work in periods or situations of high fire risk.
- Provision of resources and specific training for the prevention of forest fires.

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One of the main regeneration measures is the **Pastoreo en Red** livestock grazing project, that Redeia carries out to improve the biophysical function of existing processes and the productivity of the ecosystem.

The project fosters the services generated by the ecosystems, improving natural resources and human well-being in the vicinity of the transmission grid, investing in the use of **Nature-Based Solutions (NbS)**.

Mitigation measures / continued

Reduce

Main Reduction Measures

- Recovery of affected areas by restoring slopes, sowing, and planting.
- Carrying out selective pruning, avoiding felling of wooded and leafy areas and plant formations of interest.
- Preventive clearing in forested areas that represent a fire risk: elimination of scrub associated with high density and height pastures.
- HABITAT Project.
- Implementation of a multi-year (2016-2025) line marking plan for overhead transmission lines that involves the installation of bird flight diverters.
- Early detection system for the collisions of birds with high-voltage power lines (Proyecto ALERION).
- System for the early detection of forest fires by means of sensors based on the Internet of Things (PRODINT).
- Integrated management of each type of habitat identified with the aim of guaranteeing correct management and preservation during the maintenance of the facilities.
- Optimisation of tasks for vegetation management (VEGETA project).

Restore

Main Restoration Measures

- Projects for the conservation of focal birdlife species.
- Redeia Forest.
- Marine forest (restoration of *Posidonia oceanica*).
- Mareta del Río marsh/wetland restoration project (in Tenerife in collaboration with SEO BirdLife).
- Eradication of invasive species - Pampas Grass (*Cortaderia seollana*) – in collaboration with SEO BirdLife.
- Eradication of invasive species – Elephant Grass (*Arundo donax*) - in collaboration with Fundación Limne.
- Research on invasive species – microalgae (*Rugulopteryx okamurae*) – in collaboration with the University of Seville.

Regenerate

Main Regeneration Measures

- BIORED-Green Infrastructure Project.
- Biotransport Project.
- *Naturaleza en Red* Project.
- *Pastoreo en RED* Project.
- Life BooGi-BOP Project.

More details about these measures and projects are included under the heading **Conservation of biodiversity and Natural capital**. ↗

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The development of controlled vegetation management with extensive local livestock grazing in a way that is adjusted to the ecosystem's possibilities, provides an improvement in herbaceous composition and grassland cover by increasing the presence of pollinators. It also encourages water infiltration and erosion mitigation, which, stimulated by the relief and the nature of the materials, can be a determining factor in the landscape. The pastures sequester carbon from the atmosphere due to the large quantity of organic matter that builds up among the roots, and thanks to the grazing cattle and the organic matter, this has a positive impact on maintaining soil fertility. All these control services are increased.

The project makes it possible to evaluate pasture, bushes and herbaceous species. This evaluation can also be carried out at the landscape scale, considering the possible implications of the project on a broader scale, and therefore

including nearby municipalities and the natural processes with which they connect the area exposed to grazing.

A more elevated approach may include cultural aspects or services, such as the dissemination of the experience for training and educational purposes, its effects on the maintenance of recreational and leisure areas including the effects on the health of natural spaces. Equally noteworthy is the opportunity provided by the project to acquire better knowledge about managing vegetation cover, its enrichment in species, and possible reforestation activities with native species, which is relevant in the context of climate change, depopulation, and the risk of significant forest fires in mountain and difficult relief areas. The same applies to ecosystem service suppliers which could, for example, include gathering produce from the mountain (mushrooms, asparagus, etc.), going beyond the possible sale of grazing animals.



Pastoreo en RED (livestock grazing project) encourages ecosystem services by improving natural resources and human well-being in the transmission grid area.



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In 2023, actions in the *Pastoreo en Red* project were carried out in León and in Galicia (Spain), as described in the chapter on **Social Development within the Territory** ↪ in this Report.

Transformation measures

As part of its commitment to biodiversity, Redeia undertakes actions aimed at driving cultural transformation and focused on contributing to a change in the system and tackling the fundamental causes or factors that drive the loss of nature.

Because of this, Redeia has become involved in the **"ZERO Fires"** initiative. It is a solution for adaptation to climate change, born in the framework and as a consequence of the development of the **LIFE SORIA ADAPT** ↪ project developed by the Fundación Global Nature, which enables the fight

against biodiversity loss and the revitalisation of rural locations by addressing the threat of fires.

Forest fires caused by a lack of forest clearing are one of the significant causes of loss of biodiversity and nature. These can be exacerbated by the consequences of climate change, which is one of the main threats to forest conservation. ↪ In addition, rural depopulation plays a significant role in the increase in biodiversity loss due to the fires since the preventive measures that were carried out by rural society on the territory and that protect us from the impacts of the climatic emergency and the loss of biodiversity are being lost.

The forest fire prevention measures ("fire belt prevention") are developed according to Red Natura 2000, specifically in ZEC ES4170029 Sabinas Sierra de Cabrejas,



which is the largest and best preserved colony of *Juniperus thurifera* (Spanish juniper) on the Iberian Peninsula. The preventive measures are:

- Clearing invasive scrubland.
- Controlling tree density.
- Pruning low branches to cause vertical discontinuity.
- Removing and shredding clippings.
- Introducing extensive livestock farming for maintenance: as an ally and solution to create jobs and a rural lifestyle.

These measures generate a transformation solution in the territory intended to address the causes of fires that lead to biodiversity loss, protecting nature while making use of the forest, preserving the rural economy by involving the local population and helping forests to adapt to the consequences of climate change.



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Redeia also adhered to the Transnational Strategy to fight against *Cortaderia selloana* in the Atlantic Arc in the framework of the LIFE STOP Cortaderia ↗ project (LIFE17 NAT/ES/000495).

Invasive exotic species are a recognised cause of biodiversity loss. Specifically, the exotic invasive species *Cortaderia selloana*

(pampas grass, etc.) reduces the quality of the landscape and biodiversity, displaces local vegetation, causes a lack of Connectivity for fauna, reduces the yield of pastures and forests, causes allergic reactions and has a detrimental impact on tourism due to the deterioration of natural landscapes, whose management is extremely costly.

Redeia has adhered to working towards compliance with the Transnational Strategy principles by:

- fighting against the spread of *Cortaderia selloana*. Prevention and early warning system.
- Reduction of the presence of *Cortaderia selloana*. Control and eradication "from the outside in" and of species of special interest.
- Restoration and monitoring after eradication.
- Investigation.

- Communication, training and awareness-raising.

- Legislation, proposals and funding.

- Responsibilities and competencies of the agents involved.

The specific measures to take against this invasive species are detailed in the section on **Invasive species** ↗ in this chapter.

Protection of birdlife Minimising the risk of collision

The main impact on fauna by Red Eléctrica's facilities is the risk of birds colliding with grounding cables that protect the lines from electrical discharges during storms. The main measure to reduce this risk is marking the grounding cables with devices that increase their visibility. / 304-2

Thanks to the '**Birds and power lines: mapping of bird flight paths**' project, which was updated in 2021, the Company identified a set of focal species prone to collision,



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In 2023, a total of 77.4% of the line circuit of critical spans were marked. This makes a total of 767.4 km of lines marked with bird-saving devices.



selected them according to various criteria (52 taxa and 60 species), and drew up sensitivity maps (areas where these species may be found and which must be considered for the definition of new power line routes) and risk maps (sensitive areas where there are also factors that influence the probability of accidents occurring). Based on this information, the **2016-2025 multi-year line marking plan** was defined, which prioritises actions on the sections of line with the greatest potential impact on birdlife. It is expected that the progressive marking of the lines will reduce the potential risk of collision with the electricity transmission grid to 39.7%. Information on bird collisions

is included at the end of this section in the Environmental Indicators subsection. / **304-2**

Collaboration with regional administrations and different non-governmental organisations and the development of specific conservation projects make it possible to update this plan and incorporate risk areas or sections to be marked when deemed necessary.

In 2023, noteworthy was the analysis of the flight paths and transit areas of the Bearded vulture, which was developed in collaboration with the Fundación Quebrantahuesos (Bearded vulture Foundation) and has resulted in the marking of 160 km of line in the Picos de Europa area, the Pyrenees, El Maestrazgo and Sierra de Cazorla for the specific protection of this species. For this initiative and with the Fundación por la Conservación del Quebrantahuesos, the company entered the European distinction Red Natura 2000 "Nature 2000 Award" in the "Working together for Nature" category.

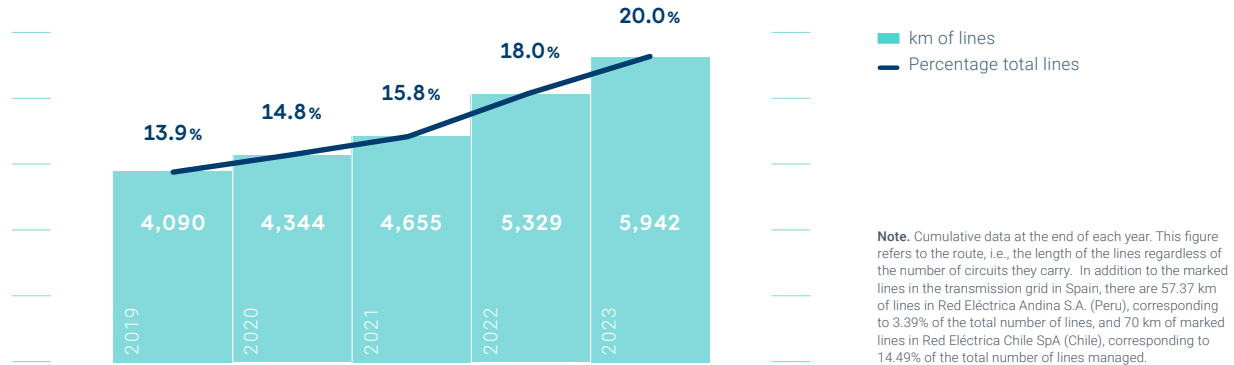
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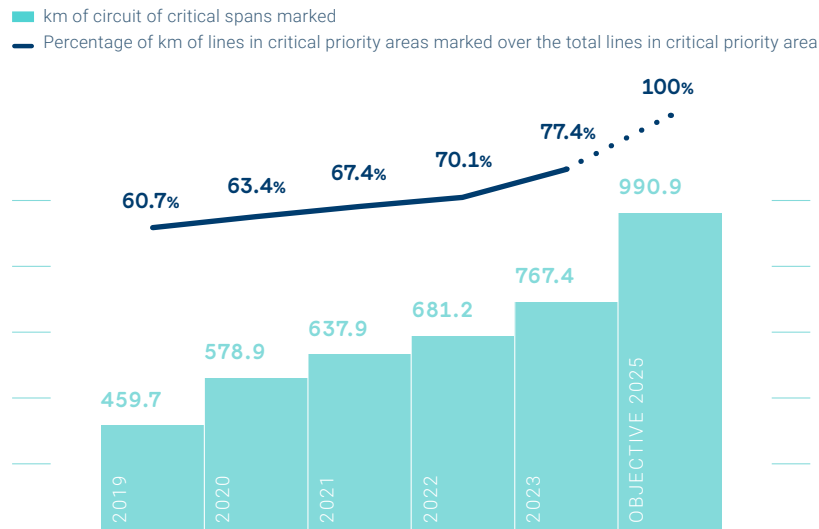
During 2023, Redeia was invited to participate in congresses and events organised by NGOs in both Spain and other countries to explain its contribution to reducing collisions, including a detailed example of the mapping of the flight path of the Bearded vulture carried out in 2022 and 2023. As a result, other organisations have decided to follow the company's example and offer their data to analyse and define a specific action plan.

In addition, work is being carried out on the development of tools for collision detection, in particular, the ALERION project. Through devices installed on the grounding cables of the lines and connected to its internal fibre optic cable, it will be possible to obtain early information that could favour the recovery of individual birds that have collided and are still alive.

Marking of lines with bird-saving devices / km
ESRS E4-5 p. 33



Marking of lines with bird-saving devices in critical priority areas⁽¹⁾ / km
ESRS E4-5 p. 33



(1) The percentage of marked lines refers to the target value defined in each of the years. The target value (of marking 100% of the km of line in critical priority areas) is slightly modified each year, depending on the variations in Red Eléctrica's facilities (new lines and modifications to existing ones) and the updating of the technical information of the bird flight paths project.

In 2022, there were variations associated with the consideration of new focal species (from 46 to 52) and variations in the distribution of some of these species, either because they appear in new territories or because more precise information is available than in the previous edition of the project. This has led to a recalculation of the marking data from 2021 and 2022 based on information from the 2022 "bird flight paths" project and from the most recent and comprehensive information about distribution patterns of the species and the availability of new sensitivity and risk maps.

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Protection of habitats and species / 304-3

In the works of line construction or facilities modification, the main impacts to be avoided are the alteration of the habitat of certain species of fauna and flora, and also the impact on vegetation due to the opening up of safety corridors,

necessary to prevent fires during the operation of the line.

To guarantee the correct management and conservation of habitats of priority community



Main activities for the protection of habitats and species in 2023 / ESRS E4-3 p. 25

- Preliminary surveys of *Caralluma burchardii* (Cuernúa) and subsequent marking operations as part of projects in the Canary Islands.
- Thorough surveys conducted prior to starting the works to locate potential nesting sites for relevant bird species.
- Constructive improvements regarding the execution of directional drilling significantly increase the recirculation of drilling fluids, thus minimising their impact.
- Biological stoppages in a dozen ongoing actions, adjusting to the phenological periods of each species of interest.
- Tests with experimental treatments through a more selective and surgical approach, such as endotherapy, which serves for eradicating invasive exotic species in the field of the public water domain.
- Shredding of the clearances in the Barranco de Arguineguín and awareness-raising among contractors with the aim of reducing the risk of forest fires.
- Compatibility of the desalinated water pipeline with the habitats of the endangered species *Pimelia granulicollis* (sand beetle) and the domestic wild species *Monilearia arguineguinensis* (Arguineguín flat snail) to avoid their damage.

interest (HCIs) and other plant formations of interest during maintenance work on the facilities, the Habitat Project (2015-2021) was carried out. In collaboration with the autonomous communities and experts in the field, all the habitats in the vicinity of 100% of the electricity lines of the transmission grid in Spain have been mapped, characterised and consolidated in a data layer compatible with the corporate geographic information system. In addition, an integrated management proposal is available for each type of habitat, which facilitates decision-making when carrying out the work.

The measures for the protection of habitats and species are included in the Main Avoidance Measures table under the heading Measures to reduce biodiversity impact and dependence in this chapter.

Protecting vegetation and combating deforestation

The correct selection of the location for the siting of infrastructure, the design of facilities, and the application of the preventive and

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Redeia has an explicit and fully implemented commitment to protect vegetation and combat deforestation, which applies to the carrying out of its activities and to its supply chain.



corrective measures described above make it possible to avoid and reduce the impact on vegetation as much as possible, without causing a significant loss of forested areas and ensuring that the Group's activities do not have a deforestation impact. This makes it possible for the company to maintain a **no gross deforestation commitment**, which applies to both its own activities and those of the supply chain.

Given that forest fires are one of the greatest threats to the preservation of forests, it is worth noting the Company's intensive work on forest fire prevention.

To minimise the risk of fire associated with the presence of transmission grid facilities, it is essential to comply strictly with the safety distances between vegetation and infrastructure, which Red Eléctrica ensures thanks to the proper design and maintenance of the safety corridors of the transmission lines and the perimeter strips around the sub-stations in forest environments.

Despite the application of best practices of avoidance and prevention, respecting small, slow-growing tree species, the removal of species that are not compatible with safety, as well as highly flammable species or those contributing to a high rate of biomass, is sometimes unavoidable. The goal of forestry management is to reduce the risk of fire while considering sustainability and the protection of biodiversity.



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Given these circumstances, the Company offsets all the trees removed through specific actions aimed at preserving native forests, in addition to those carried out within the framework of the Redeia Forest project, which has been implemented since 2009.

It should be noted that **no impact has been produced on the trees associated with the facilities commissioned by Red Eléctrica in 2023.**

As a result, 40,724 trees and shrubs (pine, chestnut tree, oak, birch, poplar, ash tree, hawthorn, and others) have been planted in 47.8 ha in the provinces of Lugo, Orense,

Innovation projects for fire prevention / ESRS E4-3 p. 25

PRODINT

A system developed by Redeia for the early detection of forest fires, using the towers of the transmission lines and by means of sensors based on the Internet of Things technology, which captures the radiation emitted by the fire and automatically sends warnings to the system operator, reducing the reaction time of firefighting agents, with a consequent reduction in costs and environmental and personal damage. A laboratory and field-tested prototype is now available (installed on a section of line in Galicia) and is ready for large-scale deployment.

Bseed WATCH®

Hispasat has signed an alliance with Pyro for the joint marketing of forest fire monitoring technologies with satellite communication, offering a scalable solution that can be operated anywhere on the planet. Bseed WATCH® is a comprehensive forest fire risk management tool capable of calculating the risk of fire and its destructive potential up to 10 days in advance. It also has early detection systems, thanks to its temperature, CO, and CO₂ sensors, which alert the citizens of the area and local emergency authorities within seconds. In the event of a fire, it provides high-quality information on weather conditions in the area, the location and progress of the fire in real-time, and the control of evacuation routes, which is freely available to the population and those responsible for extinguishing the fire. In 2023, an outreach campaign for this technology has been carried out to inform administrations about the benefits of this solution.

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and Pontevedra under the Redeia Forest project and 8 ha in San Fernando de Henares (Madrid) in 2023. Meanwhile, Redinter signed a specific agreement in 2023 in the Salinas and Aguada Blanca National Reserve in Peru for the reforestation of 4 hectares of queñuales (*Polylepis spp.*).

Regarding forest fire prevention, besides the maintenance of safety roads, the Company has strict protocols and extinguishing methods, as well as training and raising awareness programmes for employees and contractors in this respect. In addition, the Company actively and continuously collaborates with the public administrations engaged in forest management via collaboration agreements, with five currently in force and nine under renovation. These agreements involve different collaborative actions with each administration focused on the prevention and fight against forest fires.

Main activities for protecting flora and fighting against forest fires in 2023

ESRS E4-3 p. 25

Forest fire prevention measures

- Acquisition of software and computer equipment for the prevention, support, monitoring and planning of forest fire extinction in Extremadura.
- Procurement of fire prevention and extinguishing equipment for the emergency services in Álava, Guipúzcoa, Navarra and La Palma
- Preventive clearing of scrubland in areas at risk of forest fires: elimination of grazing and scrubland ground cover and removal of high-density and tall scrub, mainly gorse (*Ulex spp.*) and dry heather (*Erica spp.*) in the highlands of Navarra (15 ha) and Vizcaya.

Training and awareness

- Training and development of professional skills for 15 firefighters from the Provincial Council of Alava and 105 technicians of the forest fire prevention and extinguishing crews of the Forestry Service of the Provincial Council of Vizcaya.
- Training in educational centres and development of material to raise awareness and prevent forest fires in the Balearic Islands.
- Citizen awareness campaign 'Yo me enchufo a la prevención' (I am plugged into prevention) in Castilla y León. Preparation of awareness-raising material aimed at society in general, educational material for firefighting crews, and publication of the 'Castilla y León Forest Fire Organisation Manual' as documentation to be used for the reinforcement of staff training activities at the Castilla y León Fire Control Centre.
- 8th technical conference on forest fires in Castilla-La Mancha and presentation of the international forest fire awards.

Other relevant projects

- Agreement with the Polytechnic University of Valencia for the modelling and mapping of live fuel moisture in the region of Valencia. During 2023, we strive to validate the model and incorporate it into determining levels of wildfire propagation risk.

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Redeia is a member of the working group on Natural Capital and Energy. This working group is promoted by the sectoral groups of the Natural Capital Factory ↪ (Capitals Coalition), which has published the guide 'Natural Capital and the Spanish energy sector' ↪



Conservation of biodiversity and natural capital / 304-3

Redeia actively contributes to the conservation of biodiversity, implementing various environmental improvement measures and promoting different projects for this purpose.

One of the challenges that Redeia is taking on in accordance with its commitment to biodiversity is that of generating a net positive impact

Biodiversity partnerships

ESRS E4-3 AR 20 (a)

Commitments and memberships

- Biodiversity and natural capital Pact. Spanish Initiative for Business and Biodiversity (IEEB) promoted by MITERD.
- European Grid Declaration on Grid Development and Nature Conservation.
- European Marine Grid Declaration.
- Forest fire prevention agreements with 5 regions (autonomous communities).

Working Groups

- Biodiversity working group with MITERD's Sub-directorate General for Terrestrial and Marine Biodiversity.
- Natural Capital in the Spanish energy sector, Natural Capital Coalition.
- Natural Capital of the Spanish Green Growth Group.
- ISO Committee CTN 328 Biodiversity.

Collaboration Framework

- IUCN (International Union for Conservation of Nature) Centre for Mediterranean Cooperation.
- SEO BirdLife (Spanish Ornithological Society).
- Global Nature Foundation.

on biodiversity in the surroundings of its facilities. To this end, the Group participates and collaborates with the public administration, NGOs, and other stakeholders in different projects that promote the development of the environmental and social environment.

They are mainly focused on the issues most closely related to the impacts of the Company's activities: the conservation of birdlife, specifically the focal species (those most prone to colliding with the lines) and the habitats protection and restoration. / **ESRS E4-3 AR 20 (a)**

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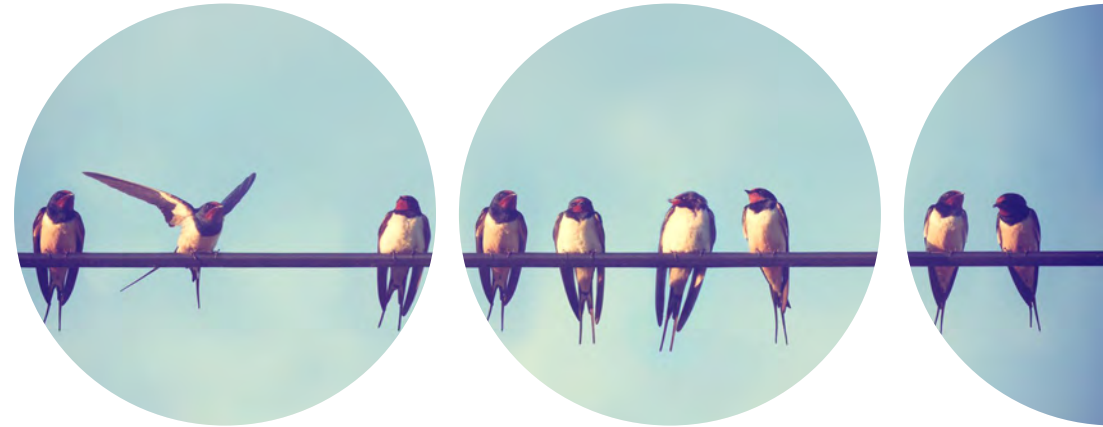


Redeia has also launched several projects focused on determining and enhancing the capacity of infrastructures as reservoirs of biodiversity and generators of natural capital, as well as actions to restore degraded habitats, among which the Redeia Forest and the marine forest stand out.

The Company has partnerships regarding biodiversity conservation with the competent areas of the administration and other organisations in the different autonomous communities, in addition to reference bodies on nature conservation.

Birdlife conservation

The main objective of birdlife conservation projects is to collaborate in the conservation or reintroduction of endangered species. It should be noted that the electricity transmission grid infrastructure plays an important role as dominant surveillance points, lookout points, refuge, resting and roosting areas and even as nesting sites for some species.



Main activities for the conservation of focal and threatened species in 2023 / ESRS E4-3 p. 25

- **Use of towers by the Golden Eagle (*Aquila chrysaetos*) in Navarra:** the radio-monitoring project of the Golden Eagle in Navarra with the Regional Government of Navarra has confirmed the use of towers as dominant surveillance points, roosting areas and/or lookout points for stalking, by the three monitored eagle pairs.
- **Osprey (*Pandion haliaetus*)⁽¹⁾ nesting platforms in Cádiz:** since 2010, four nesting platforms have been installed on towers in the Barbate reservoir area (Cádiz) and chicks have been ringed, in collaboration with the Migres Foundation and the Andalusian Regional Government. The osprey, which has not reproduced in Andalusia since the 1980s, is again nesting in the region. Since the installation of the nesting platforms in 2010, the hatching of 53 chicks has been recorded on Red Eléctrica towers. In 2023, 10% of the breeding pairs and 12% of the chicks released in all of Andalusia would fly from Red Eléctrica's transmission grid supports.

- **Use of space and analysis of the behaviour of large eagles in the surroundings of electricity transmission infrastructures in the Valencian Community:** the project, developed together with the University of Valencia, determines and quantifies the foraging grounds and the use of space in seven territories of 16 marked specimens of Bonelli's eagle (*Aquila fasciata*)⁽¹⁾ and 11 golden eagles (*Aquila chrysaetos*) thereby increasing knowledge of the habits of these species. The possible risk situations are analysed considering the spans marked with bird-saving devices versus those not marked. The aim is to establish priorities for future corrective actions and to improve the environmental management of the facilities. The results have shown an increase in flight height when eagles fly over marked transmission lines (greater in males than in females). It should also be noted that the flight height of eagles over transmission lines also increases after they have been marked.

(1) Vulnerable species according to the national catalogue of endangered species.

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Main activities for the conservation of focal and threatened species in 2023 / continued



(1) Vulnerable species according to the national catalogue of endangered species.

(2) Species in danger of extinction according to the national catalogue of endangered species.

(3) Species in danger of extinction according to the Chilean List of Classified Species.

• **Monitoring actions for the conservation and protection of the Montagu's harrier⁽¹⁾ (*Circus pygargus*), Marsh harrier (*Circus aeruginosus*) and Hen harrier⁽²⁾ (*Circus cyaneus*) in Extremadura:** the action aims to determine the status of the nesting and wintering populations of Montagu's harriers in Extremadura and to establish measures to stop their demographic decline. It also seeks to provide more information and raise awareness among farmers and agricultural associations about how important Montagu's harriers are and their conservation in the countryside. The reason is due to their key role in Extremadura's ecosystems and the work they carry out by eliminating small animals that are harmful to crops. The areas covered by this agreement include around 97% of the total number of nesting harriers in Extremadura. A total of 158 pairs of Montagu's harriers and 10 of marsh harriers have been located, with protective fencing installed to safeguard a total of 117 nests.

• **Use of sub-stations as roosts during the summer migration of the lesser kestrel (*Falco naumanni*)⁽¹⁾ in Aragón y Navarra:** the main objective of this project, carried out together with GREFA (*Grupo de Rehabilitación de la Fauna Autóctona y su Hábitat*), is to estimate the size of lesser kestrel roosts in electrical substations and to determine whether there is a differential use of the various elements of the facilities. If any risk of danger to the kestrel is detected, the project will allow for the establishment of improvement measures. In addition, the use of the habitat in the surroundings of the sub-stations will be defined, and the possible benefits that the facilities can provide to the species regarding ecosystem services will be identified.

The first results obtained have led to a census of more than 300 kestrels using the facility as a roosting area, specifically

the Magallón substation (Zaragoza). It has been identified that the behaviour at dusk of the kestrel is defined by the fact that the flocks first arrive at the electricity towers to use them as perches. Later, they go to sleep inside the porches of the sub-stations.

• **Monitoring, conservation and recovery of the Imperial Eagle population (*Aquila adalberti*) in Doñana:** we have supported the management of the imperial eagle population, as well as supplementary feeding through the provision of rabbits in the feeding stations located within each breeding territory. This supplementary feeding of the Iberian imperial eagle is carried out during the breeding season. Furthermore, we collaborate by providing an all-terrain crane that is able to drive through the difficult sands and dunes of Doñana, for direct actions on the nests. During 2023, 31 chicks born in Doñana National Park have been checked and banded in 20 nests, while 17 GPS transmitters have been placed on them.

• **Tern nesting study of the Markham's storm petrel⁽³⁾ (*Oceanodroma markhami*) in the extreme north of Chile:** the tern is an endangered species included in the Plan for the recovery, conservation and management of terns in northern Chile (RECOGE), spearheaded by the Ministry for the Environment. The monitoring aims to characterise the reproductive biology of the species and evaluate its seasonal variation in known colonies in this area of the country. Redinter is working together with the Chilean Bird Observers Network (ROC) to collect information during the nesting period, nest evolution and acoustic monitoring in order to describe the reproductive biology of the storm petrel. They also include evaluating its spatial and temporal variation, which is the first experience of this type with terns in Chile.

Find out more information about the projects on the corporate website. [↪](#)

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Habitat conservation

Redeia Forest

The Redeia Forest is an ongoing project, initiated in 2009, which aims to offset part of the Company's emissions through the planting of trees and the recovery of degraded natural areas on publicly owned land, thus contributing to the conservation of biodiversity. In addition, this initiative aims to support the development of local economies by contracting companies or associations in the area, as well as to raise awareness of the importance of forests by involving the local population, mainly students, and company employees.



In 2023 Red Eléctrica, has been the winner of the '10th Anniversary All-Star Awards' with the 'Marine Forest' project and represents the best practice carried out in European power transmission grids in the last decade.



Redeia Forest 2009-2023 / ESRS E4-5 p. 33 / ESRS E4-5 p. 41 (a)

Trees and shrubs planted

852,546
units



Emissions offset

269,825
t CO₂ eq



Surface area recovered

1,041
ha



Investments

3,051,433
euros



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Periodic monitoring of the recovered area of the Marine Forest shows that the survival of the fragments varies between 94% and 98%.



Since the inception of this project, Redeia has contributed to the recovery of 21 forests in Spain. In 2023, 39,574 trees have been planted (pine, chestnut, oak, and birch) in 47.8 ha in 3 new forests: Nieva (Lugo), Gamalleira (Lugo), and Loureza (Pontevedra).

Marine Forest **ESRS E4-2 p. 24 (c)**

The Redeia Marine Forest is a worldwide pioneering innovation project. Between 2012 and 2016, the company developed an R&D+i project in collaboration with the Mediterranean Institute of Advanced

Studies (IMEDEA- CSIC-UIB) on the use of seeds or fragments of *Posidonia oceanica* in the restoration of degraded areas of its natural habitat.

In 2017 an agreement was signed (CSIC-IMEDEA-UIB, the Balearic Islands Government and the Pollensa military air base) for the restoration of 2 ha of *Posidonia* in the Bay of Pollensa, with the work having been completed in 2020. The technique applied was an innovative method that consists of using beams from natural fragmentation for subsequent replanting in the selected area. IMEDEA researchers are monitoring the plantation to determine the survival rate, the degree of growth of each plant, CO₂ uptake, and associated epifauna. The survival rates of rhizome fragments remain in 2023 at the highest level compared to those obtained in plantations previously done for other projects.



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To further raise awareness of the conservation of marine environments, Redeia participates in the promotion of various educational programmes:

- 'Bringing Posidonia into the classroom' in collaboration with the teaching community of the Balearic Islands and IMEDEA (Mediterranean Institute for Advanced Studies) to carry out informative sessions

and field visits for students in the region. In 2023, after the publication of the project in the catalogue of environmental education activities of the Conselleria de Medi Ambient, a total of 1,057 students participated in the project.

- Collaboration with the marine interpretation centre 'Aula de la Mar' of Mallorca, developing a programme that makes available to schools and the public a set of interpretative elements and contact activities with the coast and the marine environment. In 2023, thanks to the additional support of technical staff, it has been possible to expand the educational offer to cover a larger number of participants as well as the implementation of new activities. Two new spaces have been included in the 'Posidonia Forest' project, one with a fish tank of typical species and the other with an interpretative wall of microscopic species that live on the leaves and rhizomes of the plant.
- Find a virtual exhibition on Posidonia and Red Eléctrica's marine forest [↪](#) on the corporate website.



A total of 1,057 students have participated in informative sessions of 'Bringing Posidonia into the classroom,' to reinforce awareness of marine conservation.



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Invasive species

One of the main problems affecting the most vulnerable habitats and ecosystems is the presence of invasive species. In addition to the loss of biodiversity, these species

can generate other types of impact on agricultural and livestock activity and even on public health.

Main activities for invasive species in 2023 / ESRS E4-3 p. 25

• **Pampas grass (*Cortaderia seollana*)**. Red Eléctrica has adhered to the Transnational Strategy to fight against *Cortaderia seollana* in the Atlantic Arc, committing itself to work in the areas within its reach to control and eradicate this species to prevent it from spreading to areas of high environmental value. Through a pilot project, innovative methodologies and materials for the eradication and control of feather duster have been tested, removing 3 ha under the overhead lines. Combined methods of clearing, chemical treatment and planting of native vegetation have been employed, along with control treatments for two years. This pilot project has been developed within the scope of the LIFE STOP *Cortaderia* project.

During the next years, Redeia will collaborate with this project in the following action: Control and elimination of *Cortaderia* in anthropic corridors: electricity infrastructure. This action will allow the elimination of an area of about 100 ha of feather dusters that are in areas where our infrastructures are located, thus controlling their dispersion and improving the environmental status of the land occupied by them.

• **Black locust trees (*Robinia pseudoacacia*)**. This fast-growing species impedes the regeneration of native vegetation. During 2023, various control methods were applied under the overhead lines in the Basque Country: mixed method without revegetation on a surface area of 5,000 m² and regrowth control measures in an area of 350 m². There, restoration was carried out with a combination of mixed techniques with the planting of hazelnut and willow trees.

• **Horseshoe whip snake (*Hemorrhhois hippocrepis*)**. This species arrived in Ibiza (Balearic Islands) in 2003 inside olive tree trunks imported for gardening. Since 2010, it has spread rapidly, posing a threat to the only endemic vertebrate on the island and currently in regression, the Ibizan lizard (*Podarcis pityusensis*). Its presence has been detected during maintenance work in the Bessons, Cala Mesquida and Torrent substations. The company is collaborating with COFIB (Consortium for the recovery of the fauna of the Balearic Islands) in the tasks of capturing specimens by installing cage traps.

• **Invasive algae/seaweed (*Rugulopteryx okamurae*)**. An ecological study on this species on the coast of Tarifa is underway, in collaboration with the Marine Biology laboratory of the University of Seville Research Foundation (FIUS).

• **Fountain grass and feathertop grass (*Pennisetum setaceum* and *Pennisetum villosum*)**: During 2024 we will start working on actions to eliminate this species, identified as invasive in the Balearic Islands, in the surroundings of an electrical sub-station. The company will collaborate with the administration to ensure that the control methods used to deal with the species are the correct ones.

In addition, the following species considered invasive have been managed in the Canary Islands, in construction and maintenance work, under the established protocols: *Ageratina adenophora* (crofton weed), *Ulex europaeus* (common gorse), *Pelargonium spp.* (geranium), *Nicotiana glauca* (tree tobacco), *Acacia sp.*, *Ricinus communis* (castor-oil plant), and *Cenchrus setaceus* (crimson fountaingrass).

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Innovation projects for biodiversity management, protection, and conservation

BIORED considers Redeia's electricity transmission grid as a biodiversity reservoir and generator of natural capital. The aim of this initiative is to identify, diagnose and assess the effectiveness of electricity lines (tower bases and security corridors) and sub-stations as biodiversity reservoirs that facilitate the Connectivity of fauna between the different protected natural areas.

The management of the areas below the electricity lines and in the vicinity of sub-stations as 'biodiversity islands', in addition to using electricity line corridors as a connecting element between biodiversity spaces, could be an optimal solution to facilitate the mobility of the various species currently under pressure due to the fractioning and reduction of their natural habitats. Additionally, other more general species (not affected by territorial dispersal movements) would benefit from the presence of a varied ecosystem, increasing the biodiversity in the area. Thus, such 'grey infrastructure', whose core mission is to serve as tools to supply power to the industry in general, could be perceived as 'green'.

Innovation projects for biodiversity management, protection, and conservation / ESRS E4-3 p. 25

Biotransporte

Along with the Doñana Biological Station, CSIC, we have carried out an analysis of how to maximise the use of a given number of electricity towers as biodiversity islands (stepping-stones) yielded very satisfactory results: an increase in the abundance and biodiversity of birdlife as well as micromammals and invertebrates (mainly pollinators). This type of action has been considered as an initiative that favours the connection of around 60% of the spaces of the 2020 Natura Network, thus benefiting a multitude of species, both directly and indirectly.

Naturaleza en Red

The aim of the Naturaleza en Red project, in collaboration with the Autonomous University of Barcelona, is to assess the potential of the transmission grid as a corridor and reservoir of biodiversity associated with the safety corridors and the base of the electricity line towers. The research data to date show that forested areas under electricity lines act as islands of biodiversity, functioning as reservoirs of biodiversity of open space species, which are very important in the global ecosystem.

Moreover, a new model is being developed to evaluate the Integrated Biodiversity Index (IDBI, by its acronym in Spanish). Through the use of cartographic tools, it will allow us to compare the biodiversity under an electricity transmission line versus the biodiversity in a reference habitat (next to the area) with a scope of the entire energy transmission in Spain.

This model will identify areas with the highest biodiversity potential, helping to prioritise management and planning actions under the electricity transmission line while consolidating suitable quality environments for both pollinators and other species of fauna and flora.

The main results of the project are: between 200% and 2,000% more butterflies; 500%-700% higher abundance of pollinators; between 120% and 2,000% more richness of butterflies and between 2,000%-4,000% more abundance of flowers under the electricity line with respect to the nearby forest area.

Pastoreo en RED (livestock grazing project)

Maintenance of vegetation beneath high-voltage electricity lines with extensive livestock farming. This project has been qualified as a nature-based solution according to the IUCN standard.

BooGI-BOP Project

This initiative is part of an EU Life project, in collaboration with Ecoacsa and the Polytechnic University of Madrid, which seeks to incorporate green spaces in urban and industrial environments into the network of ecological corridors. The recommendations resulting from the initial assessment have begun to be applied in the gardens of two work centres.

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Key indicators in 2023

38.9% overall progress on the Circular Economy Roadmap 2030.

4 supplies with circularity criteria included.

Milestones 2023

Implementation of sustainability requirements in 4 critical supplies and development of a roadmap that will allow us to introduce these sustainability requirements in 10 critical supplies by 2025.

Significant increase in the percentage of recycled waste in the Group from 92.7% in 2022 to 98.35% in 2023 thanks to the development and implementation of the zero waste to landfill programme in all Group companies.

Challenges for 2024

Implement sustainability requirements in 10 critical supplies.

Increase the percentage of recycled waste in the Group by focusing on zero waste to landfill.

8.3

8.3 Circular Economy



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As part of the path towards a sustainable energy model, Redeia is committed to the integration of the circular economy in the development of its activities. In this regard, since 2018, the Group has been a member of the Pact for a circular economy.

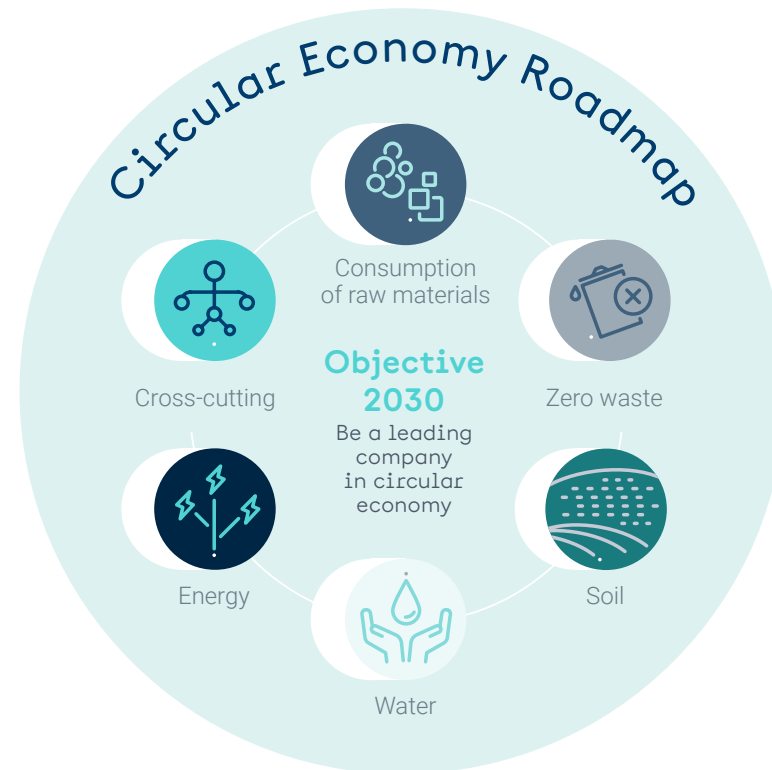
In order to become a leading company in circular economy by 2030, Redeia has a **Circular Economy Roadmap**, which establishes the objectives to be achieved and the actions to be carried out in order to progress towards their fulfilment.



This means working to achieve 100% circular supplies, i.e., that the equipment and materials used comply with the circular economy and eco-design criteria that will be required of the supply chain. To this end, Redeia's goal by 2030 is to incorporate sustainability criteria into 25 critical supplies, thus ensuring the acquisition of more sustainable equipment and materials and 100% resource optimisation. This implies reducing, reusing, recycling, or energetically valorising all generated waste, aiming to send zero waste to landfills by 2030, extending the lifespan of materials and equipment, minimising water and energy consumption and reducing the risk of soil or groundwater contamination from hydrocarbon leaks or spills. It also entails employing sustainable techniques to remediate affected soils in case of accidents and ensuring zero serious accidents and contaminated sites at our facilities.

ESRS E5-3 p. 25 / ESRS E5-3 p. 21 / ESRS E5-3 p. 24 (f) / ESRS E5-3 AR 15 / ESRS E5-3 AR 18

It is important to mention that all targets set for the circular economy are voluntary and beyond the legal requirements. **/ ESRS E5-3 p. 27**



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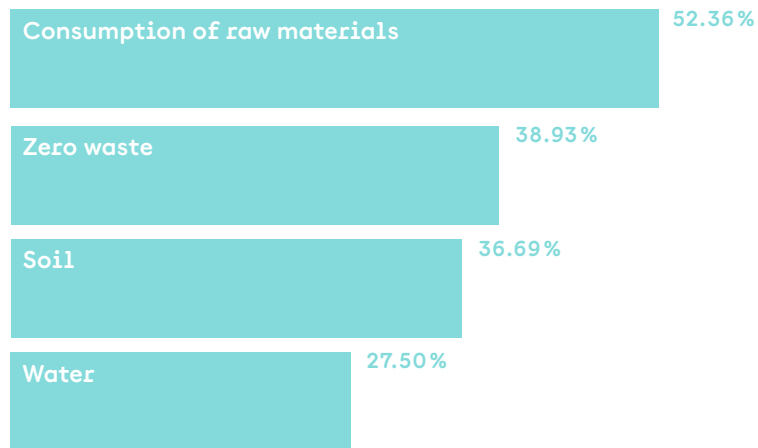


Since the inception of the 2030 Circular Economy Roadmap in 2020, Redeia has reached an overall fulfilment level of 38.9%.



Progress on the objectives of the Circular Economy Roadmap

Progress on 2030 targets / %



Additionally, Redeia has an Environmental Policy that describes principles related to the use of resources, responsible consumption and circular economy that contribute to achieving the organisation's mission, as well as its strategic objectives. / **ESRS E5-1 p. 12**

It is worth mentioning that everything related to energy is included in the framework of the Climate Change Action Plan and is detailed in the **Climate Change** ↻ section of this report.



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Consumption of raw materials / ESRS E5-3 p. 21 p. 12

2025 Goals

- 10 supplies with the greatest impact on the transmission grid with circular criteria of climate change, security, diversity, and biodiversity. / **ESRS E5-3 p. 24 (b) / ESRS E5-3 AR 15**
- 0% single-use plastics.
- 100% eco-friendly packaging, recycled, recyclable or reusable packaging in the supply of equipment and materials. / **ESRS E5-3 p. 24 (b)**

2030 Goals

- Creation of a network of circular supplies (25 supplies with the greatest impact on the transmission grid with circular criteria of climate change, security, diversity, and biodiversity). / **ESRS E5-3 AR 15 / ESRS E5-3 p. 24 (f)**
- Identification of the environmental impacts of equipment and materials from their origin (LCA of supplies). / **ESRS E5-3 p. 24 (f)**
- Sustainable transformers (use of vegetable esters instead of mineral oils).

Consumption of raw materials

In order to reduce the consumption of raw materials and prioritise the use of recycled, recyclable or reusable products, it is necessary to make progress on issues related to establishing **eco-friendly designs** and the consideration of environmental impacts throughout the life cycle of equipment and materials. This progress will only be possible through advances in the relations with suppliers and through collaborations with other key actors

while promoting innovation and technological development.

In this regard, it is worth highlighting the efforts being made by the Company, along with its procurement network, to identify the impacts of equipment and materials from the production process. All this through a **life cycle analysis** methodology developed in 2022, in order to promote eco-design and innovation in its equipment. This methodology, developed with the main suppliers, assesses aspects such as the use

of recycled and recyclable materials, their origin, durability, reparability, and carbon and water footprint, enabling quantification of the main environmental impacts and facilitating decision-making aimed at the acquisition of more efficient and sustainable supplies. / **ESRS E5-2 p. 20 (a) / ESRS E5-2 p. 20 (c) / ESRS E5-2 p. 20 (d) / ESRS E5-2 AR 11 / ESRS E5-2 AR 12 (a) / ESRS E5-2 AR 12 (b) / ESRS E5-2 AR 12 (c)**



Redeia works together with its procurement network to identify the environmental impacts of its equipment and materials, including circular economy, climate change and water footprint requirements, thus promoting the acquisition of more sustainable equipment.



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In 2023, the implementation of requirements in four critical supplies was achieved, and a roadmap was developed to introduce sustainability requirements in ten essential supplies in 2025. Therefore, we will progress towards the Group's objective of having a circular supply network by 2030. / **ESRS E5-3 p. 24 (a) / ESRS E5-3 p. 24 (c) / ESRS E5-3 p. 24 (d)**

Zero waste / **ESRS E5-3 p. 21 / ESRS E5-3 p. 24 (e)**

Objectives 2025

- 0% of Red Eléctrica waste to landfill.
- Definition of an action plan for zero waste to landfill in Redinter and Hispasat.
- Implementation of the SF₆ reuse procedure.
- Reduction of hazardous land waste with the strategy of zero accidents and zero contaminated sites.

Objectives 2030

- 0% waste to landfill.
- 100% SF₆ waste reduction.
- 100% reduction of soil waste.



Zero waste / 306-2

Redeia's approach to waste focuses on proper waste management and eliminating and/or reducing its production whenever possible.

The main generation of waste in the Company is directly related to the number of construction and maintenance activities carried out by Red Eléctrica each year, which vary greatly from one year to another. Therefore, this makes it very difficult to predict the evolution of the quantities

produced. Furthermore, the development of these activities is essential for the security of the electricity system or facilities and, in many cases, is also linked to the reduction of environmental risks. Generally speaking, Redeia always analyses and tries to restructure or redesign all its processes in order to eliminate and/or reduce waste from the outset. However, it is often not possible to reduce the annual generation, especially if the volume of maintenance operations and renovation and improvement of

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facilities during the year increases. Residual waste is also generated in the buildings where Redeia companies operate. / **ESRS E5-5 p. 33**

During 2023, there was a notable increase in hazardous waste derived from several renovation and improvement projects of sub-station equipment. It should be noted that all of them have been managed in the best possible way, with a 98.4% ratio of recycled waste.

Waste

	2023	2022
Hazardous waste (kg)	3,877,443	781,169
Non-hazardous waste (kg)	683,734	755,189
Recycled waste (%)	98.4	92.7

The Group's targets, included in the **Zero Waste Programme**, are focused on managing all waste that ends up in landfills increasing recycling programs, among others, and on reducing certain types of waste, such as SF₆ waste and waste derived from contaminated soils, by promoting alternative and innovative treatments. To find economically and environmentally feasible technological solutions, it is necessary to have a high level of expertise in the nature and generation flows of waste, aspects on which the company has been working since 2018 through this waste management programme.

/ ESRS E5-3 p. 24 (e)

Since 2021, Redeia has implemented an **action plan** to reduce and recover 100% of waste generated by all Group companies by 2030.

Preventive or corrective maintenance tasks

Servicing/inspections, parts replacement, oil renewal, etc.

Facility improvements

Replacement of obsolete switchgear, adaptation of accident prevention systems, etc.

Action protocol in the event of accidents

The containment measures used in the event of leaks or spills and the clean-up work can involve a large amount of waste.



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Its development during 2023 has made it possible to increase the waste generated (hazardous and non-hazardous) to 98,4%⁽¹⁾ whose final destination has been recycling (this generic category includes reuse, recycling, composting, anaerobic digestion and regeneration treatments). The improvement compared to 2022 (92.7%) is attributable to the implementation of some of the measures of the 'Zero waste to landfill by 2030' project. For example, the incorporation of recycling/waste-to-energy recovery requirements in tenders regarding waste management and the provision of service, the installation of composters for organic waste in work centres and the analysis of waste generation flows of all the organisation's companies. / **ESRS E5-2 p. 20 (€) / ESRS E5-2 AR 12 (a)**. This has enabled Redeia to reduce rates significantly and not only meet the expected annual reduction ⁽²⁾ but practically achieve its 2030 target.

The company also allocates economic resources to minimise waste through R&D&I projects. For example, sustainable treatment methods for soils and groundwater

affected by dielectric oils or hydrocarbons, which avoid sending contaminated soil to landfill and which are developed in the **Soils** ↻ section of this chapter. / **ESRS E5-2 AR 12 (a)**

During 2023, an awareness campaign was developed through monographs and specific lectures related to waste generation and management to the responsible units. They transmit to the employees how important it is to reduce waste at source and manage and dispose of it correctly. These trainings will continue throughout 2024.

Redeia also focuses on its supply chain, requesting in its tenders that the equipment and materials it purchases be recycled, reused or recovered at the end of their useful life.

(1) Data certified by an independent accredited body to the ISO 14001 standard.

(2) Intermediate target set considering an annual linear reduction of 10% compared to 2019. Consequently, the expected target in 2023 would correspond to 40% less waste being sent to landfill compared to 2019.

● ● ●

Redeia's goal for 2030 is to produce zero waste (0% waste to landfill). In 2023, 98.4% of the total waste was recycled, regenerated or used for energy recovery.

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Soil

2025 Goals

- Zero serious environmental accidents at the facilities. / **ESRS E5-3 AR 15**
- Zero contaminated sites. / **ESRS E5-3 AR 15**
- Identification of alternatives to plant protection products.

2030 Goals

- Action plan for the prevention of hydrocarbon leaks and mitigation of their impacts
- Decontamination of 100% of soils affected by accidental hydrocarbon spills.
- 100% reduction in the use of phytosanitary products in sub-stations

Soils / **ESRS E4-2 p. 24 (b)**

Redeia designs **sustainable treatment methods for soils and groundwater affected by dielectric oils and hydrocarbons**. The aim is to find innovative and sustainable solutions for treating these pollutants in the field, enabling a complete clean-up in situ or on-site (excavated and treated on-site). Alternative procedures to excavation and depositing in landfill sites allow the volume of waste generated to be reduced, as they avoid sending contaminated soil to landfills.

Laboratory work has been carried out and the applicability of the techniques tested has been confirmed, both in terms of bioremediation (technology that, in addition to detoxifying the soil, restores its ecological functions), identifying bacterial cultures with degrading capacity for the substances used by Red Eléctrica, as well as those based on the application of surfactants and chemical oxidation, thus avoiding sending it as waste to landfill. In 2023, we started to conduct a pilot trial focused on the recovery and treatment of the on-site soil at

a facility affected by an accidental leak. The pilot test will end in 2024, and the efficacy of the treatment will then be assessed through the results obtained. / **ESRS E5-2 AR 12 (a)**

Furthermore, **adequate equipment** maintenance is carried out, and strict procedures are established to reduce the number of incidents, containment systems (especially in power transformers with large amounts of oil) are used, and response protocols are in place for possible mishaps, which will reduce the consequences of accidents, should they occur.



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In relation to these protocols, Red Eléctrica has set up an **emergency intervention service** to provide a swift and effective response to accidental spills in land-based environments, thus enabling the urgent recovery of possible environmental damage at the site of the incident and, therefore, minimising possible risks and damage to the environment. Furthermore, simulations of oil spills were carried out and related training sessions on this topic were held.

In addition, the organisation has assessed the level of environmental risk regarding the impact on the soil of its facilities (sub-stations and Oil Filled cables), identified environmental liabilities in all electricity substations and has implemented various measures to reduce, control or completely eliminate the potential risks identified. These include the following:

- Characterisation of soil and groundwater in existing substations and new substations (to identify

incidents that occurred prior to Red Eléctrica's activity).

- Intensification of inspections at high-risk facilities.
- Blue Filtering Project: installation of hydrocarbon separator filters at the outlet of oil collection tanks. This additional containment measure guarantees the quality of the discharge and will be applied in both new sub-stations and existing sub-stations. In relation to the latter, a total of 32 new separators were installed in 2023 (16 new sub-stations and 16 existing sub-stations).
- Running tests with different methodologies for the removal of insulating fluid from fibre optic cables to completely reduce the environmental risk of this type of cables once they are out of service. In 2023, different pilot projects were conducted in order to eliminate the environmental risk caused by the oil spilling to the surroundings.



Since 2020, the company has had an emergency intervention service to provide a rapid response to accidental oil spills that occur in land-based environments.



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Water

2025 Goals

- Reduction of water consumption in all work centres of Red Eléctrica and Redinter to 6.5 m³/employee/year.
- 100% of the water from the Salto de Chira construction process to be reused.

2030 Goals

- Reduction of water consumption in all workplaces to 6.5 m³/employee/year



Although the Company's water consumption is low and is not currently considered a material issue for Redeia, the organisation is working to find alternative solutions to improve efficiency and optimise the use of this resource.



Water

As mentioned in previous chapters of this report, water is not a significant issue for Redeia. The Company has no production plants and does not use water in its operating processes. Therefore, the consumption of this resource, which comes from the network (72.1%), cisterns (2.2%) or wells (25.7%), is very low, and is limited to domestic activities such as toilets or cleaning, human consumption, and garden irrigation. Consequently, all the water consumed becomes effluent, does not result in wastewater, and is discharged through the municipal sewer system. Under no circumstances does the company discharge into watercourses.

However, aware that water is an increasingly scarce resource and that this criticality poses a risk to society, in 2022 the Company established the 'Redeia Water and Energy Working Group.' This group is entrusted with overseeing the Water Efficiency Management Programme, which has been reviewed by the Company's main governing bodies.

Water consumption per company in 2023 / m³

21,918

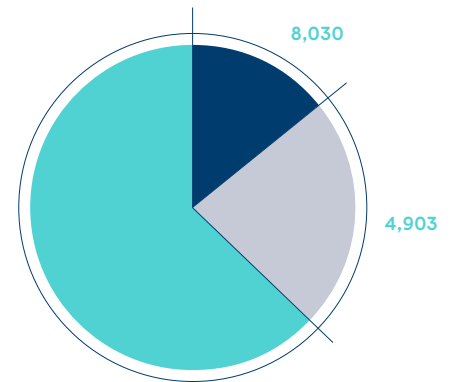
Red Eléctrica

8,030

Redinter

4,903

Hispasat



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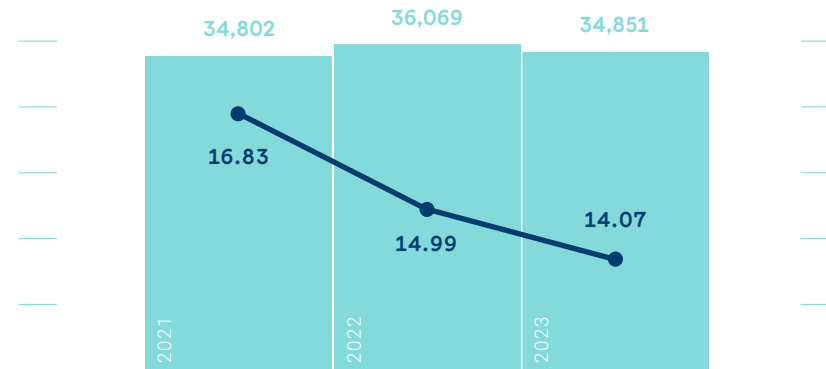
Within the framework of this programme, the company analyses trends in its indicators. Besides, it conducts annual audits of monthly consumption by facility to determine the origin of the water used, its main uses, and the existence of leaks or human error. This water use assessment is used later to identify the responsible consumption measures that make up the **Water Efficiency Management Action Plan**, which are implemented in accordance with the established deadline and priority. Besides, it is also monitored regularly to confirm that the 2030 objective of 6.5 m³ water/employee/year is achieved.

In 2023, Redeia was able to identify the consumption of 100% of the company (a value that in 2021 and 2022 was not possible to determine, reaching 97.7% and 99.4% respectively). This allows us to observe that, although in 2022 Redeia experienced an increase in water consumption (in cubic

meters) due to a change in the measurement perimeter as a result of the acquisition of Axess with almost 300 new employees, the ratio per employee has maintained a downward trend over the last three years.

Trends in annual water consumption / m³ and ratio of water consumption per employee and year of Redeia / m³/employee

Coverage (%)	97.7%	99.4%	100%
Number of employees	2,117	2,420	2,477



Note: The scope of the data in the chart is as follows:
 - 2023: 100% reporting on water consumption.
 - 2022: 99.4% reporting on water consumption. An increase in consumption in m³, associated with a change in perimeter due to the acquisition of Axess.
 - 2021: 97.7% reporting on water consumption.

■ Annual water consumption (m³)
 — Ratio of water consumption (m³/employees)

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In 2023, a reduction of almost 1,300 m³ of water and a decrease of 0.92 points in the consumption per employee ratio indicator have been achieved, almost two times the reduction expected for the year.



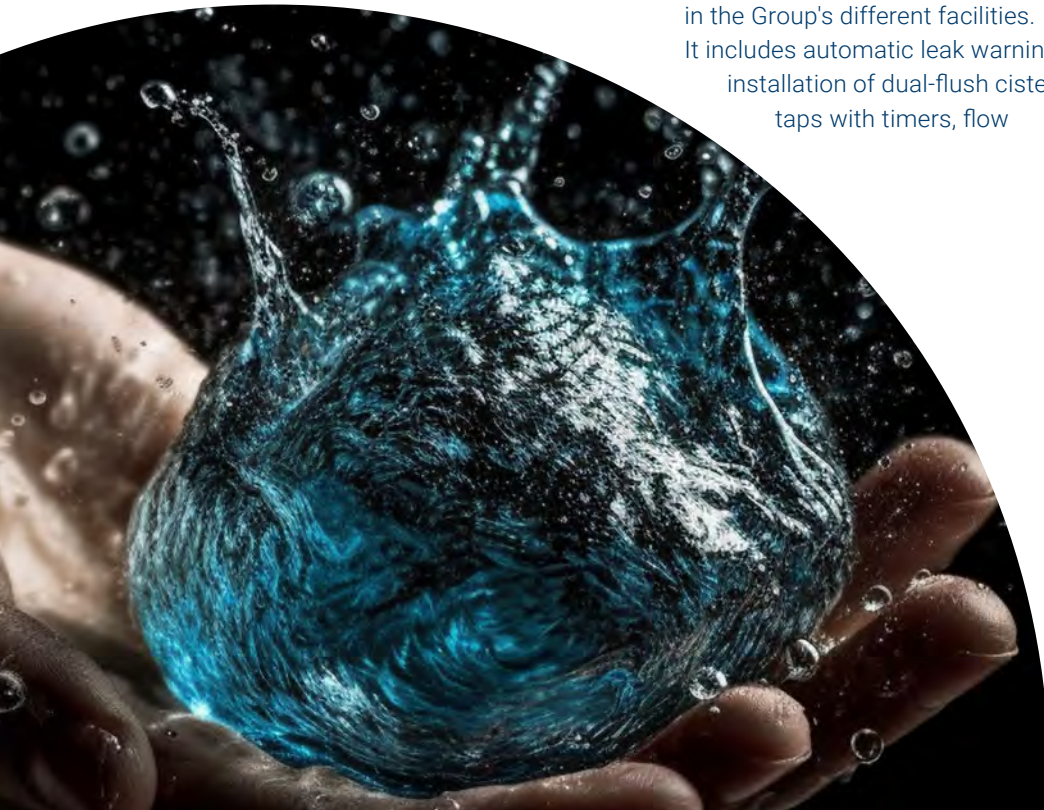
The Action Plan currently includes more than 140 savings measures in the Group's different facilities. It includes automatic leak warnings, installation of dual-flush cisterns, taps with timers, flow

meters, automated drip irrigation with water sensors, and replacement of species, among others. As a result of the implementation of 36 measures during 2023, a reduction of almost 1,300 m³ of water has been observed and a decrease of 0.92 points in the consumption per employee ratio indicator, almost two times the reduction expected for this year. This target to reduce water use has been set considering that the Action Plan is applied gradually and that it will be from 2025 when the measures involving the most significant savings, such as reforestation using native species with lower water requirements, will be implemented. Thus, the estimated reduction for 2023 and 2024 is 0.5 m³/employee/year, while

between 2025 and 2030 it is planned to reach 1.25 m³/employee/year.

Since all water is diverted to the municipal sewage system, it is not necessary to establish recycling or reuse measures.

Likewise, in 2023, a powerful awareness campaign was carried out through monographs and specific lectures on water consumption to the responsible departments. They served to transmit to the employees how important it is to reduce the use of this resource in the organisation. These training sessions, which have resulted in new proposals for water-saving measures, will continue through 2024.



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Key indicators in 2023

620,662 t CO₂ eq. scope 1 and 2 emissions.

93% of electricity consumed came from renewable sources.

Self-consumption installations in 17 work centres.

50.3% integration of renewable energy in the electrical system.

39,073,106 t CO₂ eq emissions avoided.

Milestones 2023

Validation of the Net Zero target by SBTi.

24% reduction in Scope 1 + 2 emissions compared to 2019.

Offsetting 100% of Scope 1 emissions.

R&D&I for the use of portable hybrid solar panels (photovoltaic and thermal) instead of off-grid diesel generation sets.

Development of the DLR project 'Dynamic exploitation of the transmission capacity of power lines.'

Challenges for 2024

Continue to make progress towards the integration of renewables into the electrical system.

Continue to make progress towards the reduction of Scope 1+2 emissions.

Increase the percentage of energy consumption from renewable sources.

Continue to offset 100% of Scope 1 emissions.

Recognitions

CDP A list 2023.

Award for best energy efficiency initiative to DLR by the Spanish Periódico de la Energía.

8.4 Climate Change

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Climate change is a worldwide challenge that is high on the global agenda. In a context of decarbonisation, the role of the Electricity sector is essential to achieve the transformation of the energy sector.

Climate change: a call to action

The Paris Agreement reached at the 21st Conference of the Parties (COP21) in 2015 marked a historic milestone, and since then, the international community has been working on the development of the mechanisms for its implementation. The main element of the Agreement was the commitment of the signatory parties to keep the rise of global average temperatures below 2 °C with respect to pre-industrial levels, striving to limit it to 1.5 °C. In 2018, the Inter-Governmental Panel on Climate Change (IPCC) published a technical report confirming the urgent need to increase climate change targets to more

ambitious levels and work to keep the temperature rise below 1.5 °C. The international community has recognised this urgency.

The European Green Deal sets out a new strategy to reconcile economic growth with emission reductions, prosperity and social justice. In 2021, the EU adopted the European Climate Law, which includes a binding target of climate neutrality by 2050 and an intermediate target of at least 55% reduction of greenhouse gas emissions by 2030 compared to 1990 levels. In order to implement the necessary changes to achieve these targets, the EU has adopted and is implementing the Fit 55 package, which contains a number of legislative proposals aimed at ensuring a transformation of the economy and society that is fair for all, and that reinforces the EU's leading position in the global fight against climate change.



The Climate Change and Energy Transition Law, approved in 2021, sets out the targets included in Spain's 'National Energy and Climate Plan (NECP) 2021-2030' and in the 'Long-term strategy for a modern, competitive and climate-neutral Spanish economy by 2050' which is fully aligned with the European targets and the ambition of not exceeding a temperature increase of 1.5 °C.

Within this context, the transition towards an energy model that allows affordable and clean energy for all is set out in the Decarbonisation Goal (SDG 7) and the Climate Action Goal (SDG 13). In this regard, the role of the electricity sector is crucial as it facilitates the incorporation of renewable energy into the generation mix and is key to achieving improvements in energy intensity and efficiency values. This fact is fully reflected in the targets adopted by Spain, which include the commitment to achieve an electricity system with at least



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Redeia actively participates in the energy transition towards a zero-emission model, supporting the electrification of the economy and the efficient integration of renewable energy through a robust and better-interconnected grid, the development and operation of energy storage systems and the promotion of new services and innovative activities that facilitate the coordination between the different agents.



74% renewable energy capacity, in order to achieve 42% renewable energy in final consumption by 2030. However, in the new NECP proposal (Spain's National Energy and Climate Plan), it has been extended to 81% of renewable energy in the electricity system to achieve 48% in final consumption in the same year.

Redeia's commitment in the fight against climate change

Redeia, through its activities in the electricity business, is a key player and an essential agent in the transition towards a free-emissions energy model. Its main elements must be the electrification of the economy and the maximum

integration of renewables into the energy mix, all while guaranteeing security of supply at all times. Furthermore, the Group's activities related to the development of telecommunications to promote digitalisation and improve

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Redeia's 2030 and 2050 emission reduction targets have been approved by the SBTi initiative. In addition, in order to move towards climate neutrality, Redeia has undertaken to offset all scope 1 emissions that cannot be reduced.



DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

connectivity are elements that also contribute significantly to the process of decarbonisation of society.

Therefore, Redeia's activities are crucial to achieve the climate and energy objectives in Spain and Europe, both in the medium (2030) and long term (climate neutrality in 2050). This position is reflected in the Group's Strategic Plan 2021-2025, whose main focus is to make the energy transition a reality in Spain, promoting the green and digital transition. / **ESRS E1-1 p. 16 (h)**

In this context, the Company has been publicly and voluntarily committed to the fight against climate change since 2011, which can be seen in its goal of Net Zero by 2050, in the emission reduction objectives and the Climate Change Action Plan, updated in 2021 to align them with the global target of limiting the average temperature increase to 1.5 °C. / **ESRS E1-1 p. 14 / ESRS E1-1 p. 16 (a) / ESRS E1-1 AR 2 / ESRS E1-2 p. 22 / ESRS E1-2 p. 25 (a)**

Redeia's emissions reduction targets approved by the Science-Based Target initiative (SBTi)

ESRS E1-1 p. 16 (a) / ESRS E1-4 p. 30 / ESRS E1-4 p. 34 (a) / ESRS E1-4 p. 34 (b) / ESRS E1-4 p. 34 (d) / ESRS E1-4 p. 34 (e) / ESRS E1-4 AR 26

Commitment to achieving net zero emissions by 2050 compared to 2019 levels

Objectives for 2030

- 55% reduction in scope 1 + 2 emissions compared to 2019.
- 28% reduction in scope 3 emissions compared to 2019.
- Suppliers that account for two-thirds of the supply chain emissions need to have science-based targets implemented (approved by SBTi) by 2026.

Objectives for 2050

- 90% reduction in scope 1 + 2 emissions compared to 2019.
- 90% reduction in scope 3 emissions compared to 2019.

Note: The objectives cover 100% of the emissions reported in the GHG inventory, without exclusions. Scope 2 emissions are calculated under the 'market based' approach. / **ESRS E1-4 AR 24.**

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Climate Change Action Plan / ESRS E1-1 p. 14 / ESRS E1-1 p. 16 (b) / ESRS E1-2 AR 16 /

ESRS E1-3 p. 29 (a) / ESRS E1-3 AR 19 (b) / ESRS E1-4 AR 30 (b)

I. Contribution to a sustainable energy model / ESRS E1-2 p. 25 (c) / ESRS E1-2 p. 25 (d)

Actions related to the activity of Red Eléctrica as a transmission agent and electricity system operator and which are necessary in order to achieve Spain's National Energy and Climate Plan (NECP) by 2030.⁽¹⁾

- Development of infrastructure to facilitate the electrification of the economy, connect new renewable energy power capacity, reduce technical constraints, and provide the power to feed the railway network. Noteworthy is the development of electricity interconnections, both international and between islands, which guarantee supply when dealing with the variability associated with renewable generation. This information is detailed in the **Sustainable Development of the Transmission Grid** ↪ section of this report.
- Achieve the maximum level of integration of renewable energy in the electrical system through the optimisation of system operation and the operation of the Control Centre of Renewable Energies (CECRE), the improvement of generation forecasting tools, the greater integration of distributed generation and the development of energy storage systems that will enable the integration of renewables while guaranteeing the security of the system at all times. This information is detailed in the **Integration of Renewable Energy** ↪ section of this report.
- Make progress in the efficient management of the grid, promoting technological innovation (smart grids and digitalisation), incorporating new elements and services and applying new flexibility measures. This information is expanded upon in the **Flexibility of the Electricity System** ↪ section of this report.
- Red Eléctrica's activities are 100% aligned with the EU taxonomy, contributing substantially to the objectives of climate change mitigation and adaptation. Find out more information about the **EU taxonomy** ↪ in this report.

II. Reducing the carbon footprint / ESRS E1-2 p. 25 (a) / ESRS E1-2 AR 17

Redeia has set ambitious reduction targets for 2030, consistent with its long-term goal of achieving net zero emissions by 2050. This commitment, and the one related to the contribution to a sustainable energy model, have been endorsed by the Science Based Target initiative (SBTi). Furthermore, in order to promote and monitor progress towards these objectives, short-term goals have been defined (2025), which are included in the Sustainability Plan (2023-2025).

The main areas of action in order to achieve the targets are:

- Reduction of SF₆ emissions through leakage control and reduction, the renewal of switchgear and the establishment of measures to limit the increase of installed SF₆ gas.
- Reduction of energy consumption and associated emissions through increased use of renewable energy and the implementation of energy efficiency measures and a higher level of sustainable mobility.
- Reduction of emissions associated with the supply chain:
 - Execution of collaborative programmes aimed at encouraging the setting of reduction targets aligned with the SBTi's of suppliers.
 - Consideration of sustainability criteria in purchasing decisions, prioritisation of the most sustainable supplies, and promotion of changes that result in reduced emissions.
- Offsetting emissions to move towards the Group's carbon neutrality target, mainly through the Redeia Forest project. Along these lines, in 2022, Redeia undertook the commitment to offsetting all Scope 1 emissions that it is not able to reduce; this is programmed for as of 2023. This information is detailed in the **Reduction of the Carbon Footprint** ↪ section of this chapter.

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Since 2018, Redeia has integrated the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).



Climate Change Action Plan / continued

III. Adaptation to climate change / ESRS E1-2 p. 25 (b) / ESRS E1-2 AR 18

Redeia is aware of the need to make progress in adapting to climate change, in order to tackle both the inevitable physical changes in climate parameters and the social, economic and regulatory changes associated with the fight against climate change.

The Company periodically identifies and assesses both risks and opportunities derived from climate change and applies various measures defined within the framework of this analysis. It should be noted that Redeia's activity as a whole is a key element in the adaptation of the energy system to the risks arising from climate change.

As established in the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), the financial impacts of relevant risks and opportunities are quantified, incorporating the consideration of different physical and transitional scenarios.

Information related to this work is included in the [Risk Management](#) ↗ section of this report.

IV. Positioning and dissemination / ESRS E1-2 p. 25 (e)

Redeia works to communicate with stakeholders and involve them in its commitment to climate change. The main objective is to disseminate knowledge and provide complete and transparent information on the electricity system and its role in the energy transition, as well as to promote different energy efficiency measures.

Redeia participates in numerous initiatives, such as the publication, in 2021, together with seven other European TSOs, of an informative document on the role of Transmission System Operators (TSOs) in the decarbonisation of the energy system.

Besides, since its inauguration in 2022, Redeia has taken its exhibition 'Connected to the future' to three Spanish cities (Las Palmas de Gran Canaria, Tenerife, and Granada). The goal of this interactive and digital exhibition is to promote knowledge of the energy transition and the active role that consumers will play in the electricity system of the future.

Lastly, it should be noted that Redeia is a member of the Spanish Green Growth Group, an association for the promotion of public-private collaboration to jointly advance in the decarbonisation of the economy, working mainly on aspects related to the mitigation of and adaptation to climate change and the circular economy.

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Carbon footprint calculation and reduction

Redeia, as part of its commitment to the fight against climate change despite not being subject to any regulations that apply to it in this regard, is working hard to achieve its emissions reduction targets, in line with the measures set out in the Climate Change Action Plan.

Redeia's emissions / t CO₂ eq.

28,692

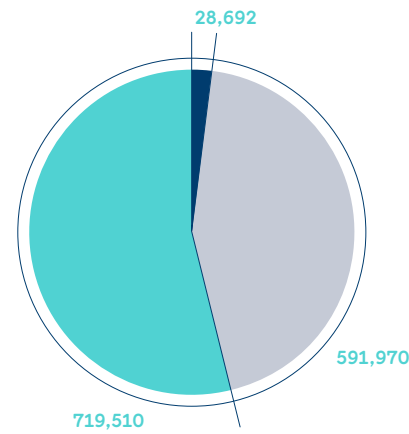
Scope 1

591,970

Scope 2

719,510

Scope 3



Emissions by type of source / t CO₂ eq.

Scope 1 emissions

25,790

SF₆ emissions

1,875.5

Fleet vehicles

152.5

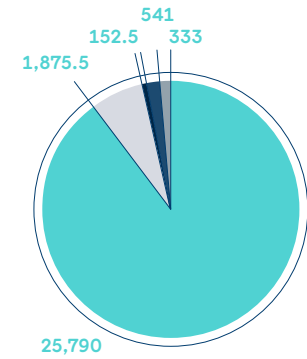
Heating

541

Off-grid diesel generators

333

Use of air conditioning



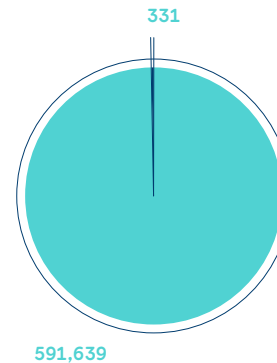
Scope 2 emissions

591,639

Derived from transmission grid losses

331

Associated with the consumption of electricity



Scope 3 emissions

363,427

Purchase of goods & services

278,715

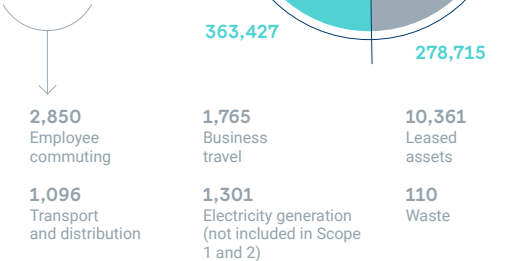
Capital goods

59,885

Investments

17,483

Other



2,850
Employee commuting

1,096
Transport and distribution

1,765
Business travel

1,301
Electricity generation (not included in Scope 1 and 2)

10,361
Leased assets

110
Waste



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Redeia prepares its **emissions inventory based** on the GHG Protocol methodology, which is published on the Company website. Since 2013, this inventory has been subject to independent review in accordance with the ISAE 3410 standard. The Independent Assurance Report is included in the **Annex** ↪ section of this report. / **ESRS E1-6 AR 39 (a) / ESRS E1-6 AR 39 (b) / ESRS E1-6 AR 43 (b) / ESRS E1-6 AR 45 (a) / ESRS E1-6 AR 46 (a) / ESRS E1-6 AR 46 (e)**

In addition, the Company has developed a methodology for calculating the carbon footprint associated with the life cycle of the different types of equipment installed and facilities built by Red Eléctrica, the application of which facilitates the identification of improvements and specific reduction measures that can be implemented on a case-by-case basis.

Control of SF₆ emissions

The main direct emissions derived from the activities of the Group are those of sulphur hexafluoride (SF₆), which is present in the electricity transmission equipment. This gas, despite its high global warming

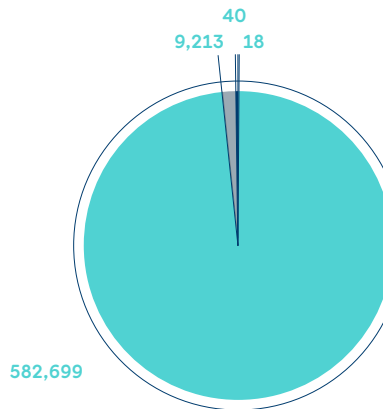
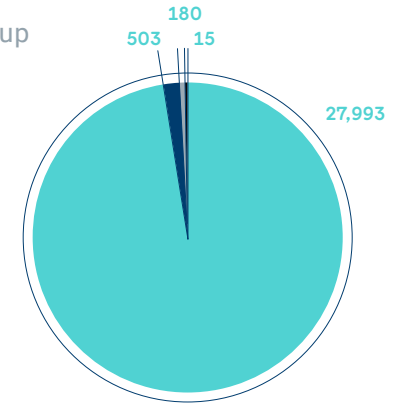
Emissions per company of the group / t CO₂ eq.

Scope 1

27,993

Red Eléctrica, Corporate services, and Elewit

503 **180** **15**
Hispatat Redinter Reintel



Scope 2

582,699

Red Eléctrica, Corporate services, and Elewit

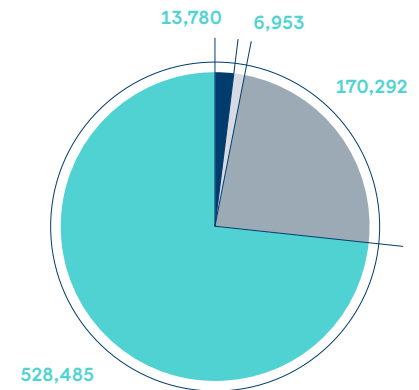
40 **9,213** **18**
Hispatat Redinter Reintel

Scope 3

528,485

Red Eléctrica, Corporate services, and Elewit

170,292 **6,953** **13,780**
Hispatat Redinter Reintel



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potential has enormous technical advantages. It is a non-toxic gas that allows the distances between the various elements of the facilities to be much less, which makes it possible for the overall size of the facilities to be reduced and, therefore, enable them to be better integrated into the environment.

SF₆ emissions are mainly associated with small leaks in the equipment due to it losing its gas tightness, or due to leaks during gas decanting and accidents or breakdowns that may occur.

Main activities for controlling SF₆ emissions in 2023 / ESRS E1-1 AR 3 (c)

SF₆ Gas inventory

Improvement in the procedures for recording and monitoring leaks.

Training

The Company has two legally certified centres that can provide training on SF₆ gas handling. 512 employees have been trained since 2013 (444 of them have an official SF₆ gas handling certificate). In addition, in order to optimise maintenance and leak repair work, specific technical training sessions in GIS technology were conducted.

Measures for the prevention, detection and control of SF₆ Gas

The preventive maintenance work and the efforts made by the Company to reduce the leak detection and intervention times, as well as in the development of more effective leak repair methodologies, make it possible for SF₆ emissions to be maintained at low levels, in no case exceeding an average emission rate of 0.2%.

Noteworthy is the Red Eléctrica's methodology for repairing SF₆ leaks in GIS facilities, which enables the repair of breakdowns/ faults in GIS sub-stations without the need to disassemble the damaged sections, and this speeds up the work significantly. Additionally, the Climate Change Action Plan envisages the strengthening of the resources dedicated to the prevention and control of leaks, including additional measures. The most relevant are the following:

- Design of protective roofing for existing facilities to prevent degradation of materials due to atmospheric agents and, therefore, leakage.
- Incorporation of requirements in procurement tenders that help minimise gas losses (rapid intervention in cases of leakage and equipment design criteria, among others).
- Substitution of SF₆ gas for nitrogen (N₂) in equipment that has been stored as backup units.

Objectives for controlling SF₆ emissions⁽¹⁾

ESRS E1-4 p. 30

Specific SF₆ reduction targets

- 25% net reduction of SF₆ emissions compared to 2015 by 2030.
- Maximum cumulative emissions in the period 2021-2030: 252,000 t CO₂ eq.

Progress made in 2023 (in regard to the targets)

- 21% reduction in SF₆ gas emissions compared to 2015.
- 2021-2023 Cumulative emissions: 64,496 t CO₂ eq.

(1) Actions aimed at reducing SF₆ gas emissions are proving to be very effective. However, it should be considered that the probability of SF₆ leakage is directly related to the amount of gas installed and the age of the equipment. In 2030, a significant increase in installed gas is expected, associated with the development of the transmission grid and an increase in the average age of the installed equipment. Considering these circumstances, the expected trend is an increase in emissions.

Continued on next page

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For Redeia, this is a priority issue, which is why it has implemented different reduction initiatives that have been reinforced in the Climate Change Action Plan.

Nationally, Redeia collaborates with the public administration and other entities in the search of solutions aimed at controlling and reducing these emissions within the framework of the voluntary agreement, signed in May 2015, between the Ministry for the Ecological Transition and the Demographic Challenge and the manufacturers and suppliers of electrical equipment that use SF₆, electricity transmission and distribution companies and waste management companies that handle this gas and the equipment that contains it, for a comprehensive management of the use of SF₆ in the electricity industry that is more respectful towards the environment.

Main activities for controlling SF₆ emissions in 2023 / continued

Renewal and replacement of switchgear

The progressive renewal of old equipment and equipment with very high leakage rates of SF₆ represents a significant control measure in quantitative terms. In this regard, it is worth highlighting the start of the project in 2022 to renovate the equipment in the 400 kV Litoral sub-station, one of the facilities in which, due to its age and environmental conditions, most gas emissions have occurred in recent years.

Reduction of installed SF₆ gas and search for SF₆ gas alternatives

Red Eléctrica is committed to promoting the development of alternatives to the use of SF₆, which are currently under development. To this end, it participates in different technology monitoring and experience exchange groups with other parties in the electricity sector. It is worth mentioning the **Mission project** in which it collaborates with research organisations, equipment manufacturers and other European TSOs, for field tests to develop switchgear with alternatives to SF₆.

Besides, the Company has begun to work on the assessment and application of different solutions at lower voltages and passive elements in sub-stations. Therefore, two very relevant pilot projects have been launched, in which the use of an alternative gas has been planned for 400 kV insulation gas ducts and sub-station busbars.

In addition, it should be noted that Red Eléctrica has two 66 kV cubicle-type GIS equipped with alternative gases, located in the Canary Islands for use as mobile substation units.

In 2023, three SF₆ free AIS (Air Insulated Switchgears) (CO₂ + O₂ technology) have been installed and further steps will be taken in the technical qualification and approval of new gas-free models.



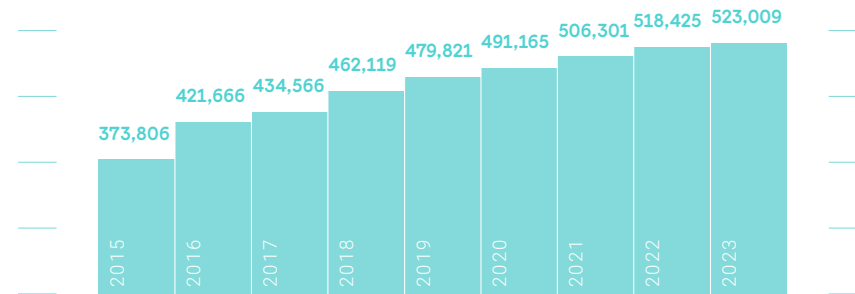
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Redeia collaborates with the public administration and other entities in the search for solutions aimed at controlling and reducing SF₆ emissions. Additionally, the Company participates in different international working groups focused on exchanging best practices regarding the reduction of GHG emissions and sharing experiences on alternatives to the use of gas.

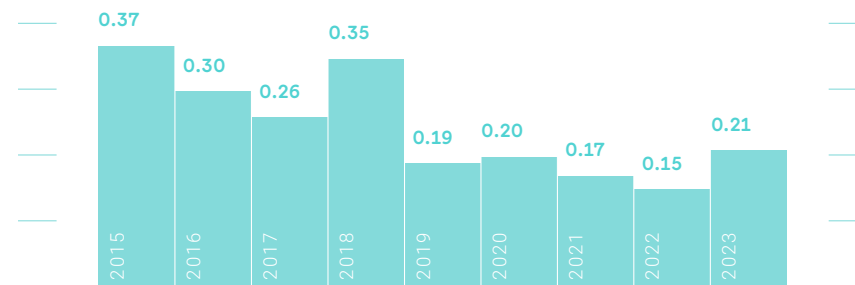


Evolution of installed SF₆ gas in Red Eléctrica / kg ⁽¹⁾



In 2023, Redeia's total installed SF₆ gas, including Redinter facilities, stood at 527,985 kg

SF₆ emission rate / % of gas compared to installed gas



In 2023, Redeia's emission rate, including Redinter, was 0.21%

(1) The increase in installed gas is mainly due to the commissioning of new facilities and the replacement of old equipment with SF₆ insulated equipment. The commissioning of these facilities is essential for the development of the transmission grid necessary in order to undertake the energy transition.

(2) The rates reflected in the graph are calculated using actual data collected in the field and include, in addition to leaks as a result of maintenance work, the estimated emissions corresponding to the end of the life cycle of the equipment. The maximum leakage rate for in-service equipment established in the Voluntary Agreement for the management of SF₆, signed in 2015 is based on the number of years the equipment has been in service. This annual rate is fixed at 0.5% for equipment commissioned as of 2008 (equipment installed before 2008 is known to have higher leakage rates). The low emission rates reflect the enormous effort of the Company to improve the management and control of SF₆ emissions. Specifically, the decline shown in recent years due to the breakdown repair work performed since 2018. In addition, there has been no accident that has led to a gas leak between 2019-2023. However, one accident occurred in 2023, a fact that is reflected in the increase in the leakage rate for this year.

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Reduction of energy consumption and emissions associated with energy generation

Reduction of electricity consumption

One of the pillars of the climate change commitments of the Company is to undertake energy efficiency at all levels. There are different projects and measures



aimed at reducing the consumption of electricity in the different facilities of the Company.

In order to properly manage energy consumption, to identify areas with significant energy use and define measures to save or use renewable energies, Redeia carries out energy audits to identify opportunities for improving energy performance every four years. The results of these audits are included in the Climate Change Action Plan, which establishes quantified energy efficiency objectives and considers a set of measures whose estimated savings exceed 1,700,000 kWh in the period 2021-2030. The sevaluation of progress in reducing energy consumption is reviewed bimonthly by a specific **working group** (Water and Energy), which implements corrective actions if necessary to prevent deviations from the targets.

Efficiency objectives and reduction of emissions associated with electricity consumption / ESRS E1-3 p. 29 (b) / ESRS E1-4 p. 30

Red Eléctrica's targets (compared to 2015)

- Reduction of emissions associated with electricity consumption: 90% by 2030.
- Reduction of electricity consumption in work centres: 30% by 2030.

2023-2025 targets (compared to 2019) in the Group

- 10% reduction in electricity consumption by 2025.

Progress made in 2023 (in regard to the targets)

- Reduction of emissions associated with electricity consumption in work centres: 93.9%.
- 12.3% reduction in electricity consumption at Red Eléctrica work centres compared to 2015.⁽¹⁾
- 4.3% reduction in electricity consumption at Red Eléctrica work centres compared to 2022.⁽¹⁾

⁽¹⁾ During 2023, Redeia focused on reducing its electricity consumption by implementing energy efficiency savings and management measures in its buildings. This has allowed the net electricity consumption of the work centres to have decreased by 12.3% compared to 2015, meeting the objective set for 2023 to achieve a 30% reduction in electricity consumption in Red Eléctrica work centres by 2030 (9.4%). This expected value has been set considering that the efficiency measures are applied gradually and that it will be from 2025 when the measures with the most significant savings will be implemented (for example, changes in the thermal envelope, replacement of large equipment, etc.). Thus, the expected reduction in the period 2015-2024 over the target is 35%, while between 2025 and 2030, 65% of the expected target is planned to be achieved.

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Main activities regarding efficiency in 2023

Buildings

- **Progress in lighting and heating consumption reduction measures:** changing most of the indoor and outdoor lighting to LEDs, installation of presence detectors and lighting sensors in many facilities, installation of window protection elements (awnings and solar panels) and implementation of digital timers in heated electrical equipment.
- **New management measures:** modification of the ambient temperature in buildings, turning off illuminated signs at night, activating the automatic closing of doors at entrances from the street, adjusting air conditioning schedules to adapt them to the use of workspaces, adjusting lighting in common areas and parking lots, and reprogramming office equipment to reduce standby consumption.
- **Energy management system** certified under ISO 50001 standard for buildings at the head offices and Redeia campus. / **ESRS 2 BP-2 AR 2**
- **Buildings with reduced energy consumption.** The buildings in which the control centre and the technology company of the Group, Elewit, are located, include a system that helps maximise the available geothermal energy and have construction measures that significantly reduce their electricity consumption, in accordance with NZEB (Nearly Zero Energy Buildings) criteria. The training campus also has a solar photovoltaic installation for self-consumption. Moreover, the main control building of the Salto de Chira pumped-storage hydroelectric power station is designed in accordance with the criteria of LEED Platinum certification (US Building Council).
- **Awareness campaign in energy efficiency** through monographs and specific lectures on energy consumption to the responsible departments, where the importance of optimising and reducing energy use was conveyed to employees. These training sessions, which have resulted in new proposals for energy-saving measures, will continue through 2024.
- Drafting of a **guide of good practices** for greater energy-saving in buildings, which was extended to all employees.

IT Systems

- Renewal of IT equipment and systems in accordance with maximum efficiency criteria.
- Application of efficient use policies in all end-user IT systems.
- Consolidation of the use of collaborative communication platforms that reduce work-related travel or commuting.
- Migration to and intensive use of virtual servers (since 2015), which improve energy efficiency if compared to physical servers.

Sub-stations

- Rationalisation in the use of lighting. Thanks to the improvement in remote control systems for outdoor lighting, there are currently 446 sub-stations (20 more compared to 2022) whose night-time lighting does not switch on unless it is necessary.

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93% of the electricity consumed in Redeia comes from renewable sources (with guarantees of origin, GoO or international renewable energy certificates, IREC).



Use of renewable energy

Redeia, in addition to having a key role in the integration of renewable energy into the Spanish electricity system as a whole, is committed to the use of renewables to cover the electricity consumption of its facilities. Most of the electricity supply contracts managed by the Company have **guarantees of origin (GoO) or international renewable energy certificates (IRECs)**, being mainly the electricity supplies of leased work centres the ones that do not have these certificates at the moment. **/ ERSR E1-6 AR 45 (d)**

Regarding the use of renewable energy for self-consumption in work centres, headway is being made in the progressive incorporation of solar thermal energy installations for domestic hot water, and three buildings have HVAC installations based on geothermal energy. In addition, in 2023, 3 new solar photovoltaic installations were implemented for self-consumption in work centres.

It is worth mentioning the R&D&I projects for the **use of portable hybrid solar panels (photovoltaic and thermal)** instead of off-grid generators if the sub-station does not yet have an electrical connection to the distribution network. So far, two projects have been carried out

(Platea and Aguayo sub-stations) with the aim of scaling up their implementation.

Sustainable mobility

Redeia is working on the optimisation of work-related travel and in the reduction of the emissions associated with them. The Company has a **Sustainable Mobility Plan** in place in order to incorporate a new culture of mobility within the Company. Among the most important measures developed in recent years, noteworthy are the following:

- Efficient management of fleet vehicles. The Company is committed to using the best technologies currently available

Renewable energy usage objectives **/ ERSR E1-4 p. 30**

Targets

- 100% renewable electricity contracted by 2024.
- Implementation of self-consumption solar installations in work centres (21 centres).

Progress made in 2023 (in regard to the targets)

- 95% of electricity contracted from renewable sources.⁽¹⁾
- Implementation of self-consumption installations in 17 workplaces.

(1) Some work centres do not have a mains electricity supply and receive their electricity directly from the transmission grid. For this reason, these work centres are not considered in the evaluation regarding the fulfilment of the target. In 2023, their consumption accounted for 2% of the total electricity consumed in all work centres.

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80.6% of the Group's fleet of vehicles (including passenger cars, 4x4s, vans, car-derived vans, trucks, shared leasing, management vehicles and pool of electric vehicles) have an energy rating of 'A'.



(hybrid, plug-in hybrid, and electric cars) considering the specific needs of each type of vehicle and optimising their use through the application of CARS (Agile, Responsible and Safe Driving System), which facilitates the use of efficient routes and promotes responsible driving. Since 2015, the Company maintained the 'Ecological Fleet Accreditation' received from the Fleet Managers Association (AEGFA) and the Institute for Diversification and Energy Saving (IDAE).

- Provision of a pool of 100% electric vehicles to cover corporate needs.

- Measures to optimise business travel, by promoting and improving communication tools to reduce travel (video conferences and remote accessibility platforms) and the consideration of sustainability criteria in the Company's travel policy. In this regard, it is worth highlighting the clear positioning in favour of the use of trains rather than other means of transport, and the communication of this to the workforce.

- Rationalising the use of private vehicles in the daily commute

to work centres. The Company has a corporate bus service and shuttle services connecting the office with various locations. The transport pass is included among the options of the benefit in kind for employees, and the use of car-sharing is promoted. Additionally, the Company has various electric vehicle charging points on their premises for use by employees.



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Carbon footprint in the supply chain

The emissions associated with the supply chain are those that have the greatest impact on the indirect emissions of the Company (Scope 3) and, therefore, the Company has implemented various actions to further reduce emissions in order to meet the targets the Company committed to in 2021.



The Company works mainly under two approaches:

- Development and implementation of the calculation of emissions associated with the main supplies, under LCA methodology and incorporation of circularity and climate change criteria in purchasing decisions. In 2023, these efforts focused on pylons, overhead conductors, transformers and GIS substations (see the **Circular economy** ↻ chapter of this report).
- Collaboration with key suppliers through a specific programme

aimed at scaling up Redeia's emission reduction commitment to the supply chain.

Supply chain footprint reduction objectives / ESRS E1-4 p. 30

- Suppliers accounting for two-thirds of supply chain emissions need to set science-based targets by 2026.
- 28% reduction in Scope 3 emissions compared to 2019 levels.⁽¹⁾

⁽¹⁾ Emissions associated with the supply chain account for 92% of total Scope 3 emissions.



Collaboration programme with suppliers on climate change

Once the first phase (2019-2021) was completed, during which 35% of participating suppliers improved their climate performance level, a second phase was initiated in 2022. Over this period, the programme involves 26 suppliers, representing more than 40% of the emissions of the supply chain.

The main objective is to ensure that suppliers representing 2/3 of the emissions associated with the supply chain have targets approved by SBTi. To this end, in addition to identifying and promoting common initiatives and projects to reduce emissions and accompanying suppliers to establish these objectives, it is crucial to make progress in improving the collection of information for calculating emissions.

	2022	2023
% emissions from suppliers covered by the programme ⁽¹⁾	47	43
Commitments SBTi suppliers covered by the programme	7 approved +1 commitment	10 approved + 6 commitment
% of emissions calculated from direct information (total emissions) ⁽²⁾	11	22.12
% of emissions covered with total SBTi ⁽³⁾	5.5	7.15

⁽¹⁾ Scope: activities of the electricity business and corporation in Spain, where the programme is being developed. The percentage of supply chain emissions varies each year, depending on total emissions. These depend on the type and volume of goods purchased or services contracted. Additionally, the progressive reduction of the emissions of the suppliers included in the programme also implies a reduction of their total weight. (The percentage of emissions of suppliers covered by the programme compared to the group as a whole is 42%).

⁽²⁾ Scope: Redeia. Direct information obtained from the LCA methodology development project and the programme is included. The value of this indicator without considering the Amazonas-Nexus project (Hispasat) is 29.6%.

⁽³⁾ Scope: Redeia. Data for 2023 reflects emissions corresponding to all suppliers with SBTi, whether or not they are in the programme. The percentage of emissions corresponding to suppliers with approved SBTi, without considering the Amazonas-Nexus project, would be 9.6%.

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Offsetting of emissions

In addition to the measures aimed at reducing emissions and to minimise the carbon footprint of the Group as much as possible, specific actions have been implemented to offset emissions. In this regard, and as part of its strategy to move towards climate neutrality, Redeia is committed to offsetting all direct emissions that it cannot reduce as of 2023. / **ESRS E1-7 AR 63 (b)**

To offset emissions, the Company is committed to nature-based solutions. One of the main offsetting projects is the Redeia Forest, having registered two forests of Loureza (Pontevedra) in the absorption projects section of Spanish Climate Change Office Registry (MITERD), with projected absorption of

956 t CO₂ at the start of the project and 5,257 t CO₂ absorbed over 45 years. Redeia Forest Project is fully described in the section **Biodiversity** ↪ of this report.

The Company has also acquired a total of 24,245 VCUs (Verified Carbon Unit) associated with two projects to stop deforestation in the Cordillera Azul National Park in Peru and Brazil, and 3,500 VCUs from an afforestation project in Colombia. All of them are verified under the VCS standard. / **ESRS E1-7 p. 56 (b) / ESRS E1-7 p. 59 (a) / ESRS E1-7 AR 62 (a) / ESRS E1-7 AR 62 (c) / ESRS E1-7 AR 62 (d) / ESRS E1-7 AR 63 (a)**

These actions allowed for the offsetting of 100% of Redeia's Scope 1 emissions, as well as Redeia's emissions associated with corporate events (the General Shareholders' Meeting and the Sustainability Conference sessions) in 2023.

Furthermore, the subsidiary Hispasat has carried out a reforestation project of 1.97 ha in Cadalso de los Vidrios (Madrid) with expected absorption of 500 t CO₂ eq in 50 years, to compensate for the launch of the Amazonas Nexus satellite in 2023.

It should be noted that the economic cost of these offsetting projects represents a benchmark for the definition of the internal carbon price.

Emission offsetting objectives / **ESRS E1-4 p. 30**

Target

Offset 100% of Scope 1 emissions as of 2023.

Progress made in 2023 (in regard to the target)

- Offset 100% of Scope 1 emissions + emissions from corporate events in 2022.
- Offset 100% of Scope 1 emissions + emissions from corporate events in 2023.

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Transmission grid losses EU12

The emissions associated with energy losses in the transmission grid are accounted for within the emissions of Scope 2, as indicated by the GHG Protocol. These are calculated taking into account the energy dissipated in the form of heat by electricity lines in the transmission grid (transmission grid losses) and the emission factor of the energy mix (calculated by Red Eléctrica according to the amount of energy generated by the different technologies). None of these variables is under the direct control of Red Eléctrica, although it should be noted that increased efforts to integrate more renewable energy into the energy mix results in a lower emission factor and, therefore a greater reduction in emissions associated with losses.

The transmission of electricity inevitably leads to energy losses in the grid. This means that, to satisfy a given final consumption, a slightly higher level of generation is required.

Several factors generate losses: the Joule effect, the corona effect and the own consumption of the electricity sub-stations necessary for their correct operation. Of these, the most relevant, without a doubt, is the **Joule effect**⁽¹⁾, associated with the flow of current through the conductors.

Red Eléctrica works to improve the aspects that depend on its management and that can influence the reduction of these losses. Among them, the following actions are noteworthy:

- Development and meshing of the transmission grid.
- Increase in the number of conductors per circuit.
- Use of technologies and systems with the best performance.
- Maintenance of the facilities in the best conditions to ensure their proper functioning.

The first two measures seek to create parallel routes in order to allow a given intensity to flow, which in turn results in lower resistance and, therefore, reduced losses. Regarding the use of the best technologies,

it is worth mentioning the innovation project 'Dynamic exploitation of the transmission capacity of electricity lines (DLR) of Red Eléctrica,' which enables the transmission capacity to be calculated in real time depending on the weather conditions existing at any given moment. This allows to run the electric circuits based on the specific conditions of each case, thus replacing more conservative average calculation assumptions and generating important energy savings for the electric system. It is estimated that the DLR values could be higher than the seasonal transport capacity with which the lines are normally operated up to 80% of the time. This project was awarded as the best energy efficiency initiative in 2023, according to the Spanish *Periódico de la Energía*.

(1) When an electrical current flows through a conductor, part of the kinetic energy of electrons is transformed into heat which thereby raises the temperature of the conductor. Joule effect losses are proportional to the intensity flowing through the conductor and the resistance thereof; the greater the length of the line, the greater this resistance is. Therefore, it can be understood that the losses are mainly related to the distance between points of generation and consumption; such points are determined by the result of the wholesale electricity market.



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However, all these improvements have a minor impact on the evolution of energy losses, while other aspects not controlled by Red Eléctrica have proven to have a greater overall impact on this aspect.

Increased losses are mainly due to the following: distances between generation and consumption points

Factors that affect transmission grid losses

Distance between generation and consumption point

Generation mix

Size of the transmission grid

Voltage levels

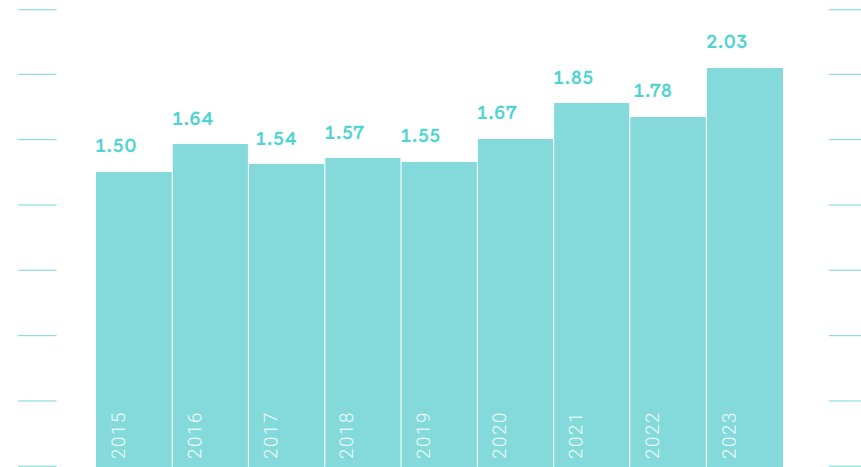
International electricity exchanges

The behaviour of the demand

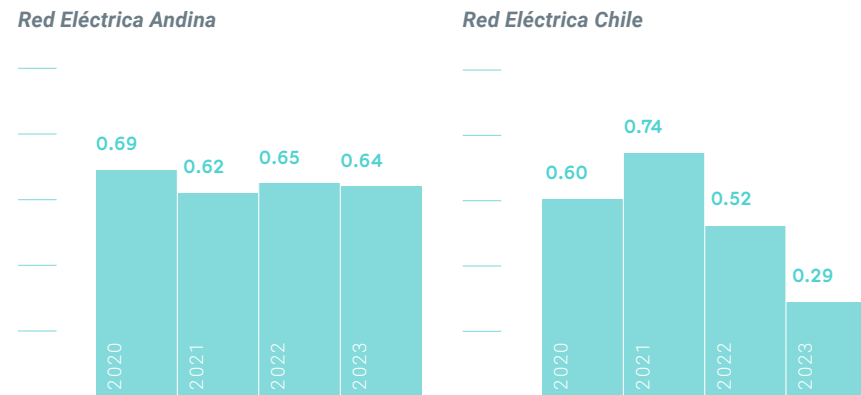
(losses increase notably when there are significant distances), the amount of energy demanded in the year, the electricity generation mix, international electricity exchanges, the shape of the demand curve and weather conditions. It is important to highlight that the **evolution of the electricity system towards a more decarbonised and flexible** one in which the participation of renewables (generation generally far from consumption points), the demand (greater electrification) and international energy flows will **entail a higher level of losses**.

The electricity generation mix and the flows in the transmission grid depend on the rules of the electricity market, regulated by an independent body. The function of Red Eléctrica, as operator of the electricity system, is carried out in accordance with specific and mandatory operating procedures. In accordance with these procedures, it is not possible to operate the electricity system based on loss reduction criteria, so the Company has little capacity to act in relation to said reduction.

Transmission grid losses with regard to the demand in Spain / %



Transmission grid losses in infrastructure managed and operated in Latin America / %



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- Leaks and spills
- Waste by type and disposal method
- Non-hazardous waste
- Total water withdrawal by source
- Presence of facilities in protected spaces
- Impacts on endangered species detected in 2023
- Description of the most significant impacts on biodiversity
- Species included in the IUCN red list and the national conservation list whose habitats are located in areas affected by operations
- Priority ecosystem services
- Fuel consumption
- Electrical energy consumption

- Total energy consumption
- Indirect energy consumption. Electrical power
- External energy consumption. Internal logistics
- Energy intensity
- Reductions in electricity consumption
- Direct GHG emissions (Scope 1)
- Emissions offset
- Indirect GHG emissions linked to electricity generation (Scope 2)
- Other indirect GHG emissions (Scope 3)
- Greenhouse gas emissions intensity
- Reduction of GHG emissions

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Non-compliance with environmental laws and regulations / 2-27

Type of infringement	2019		2020		2021		2022		2023	
	No. of case-files	Amount (€)	No. of case-files	Amount (€)	No. of case-files	Amount (€)	No. of case-files	Amount (€)	No. of case-files	Amount (€)
Fire risk	2	370.46			1	90.15			4 ⁽¹⁾	1,081.84 ⁽¹⁾
Unauthorised felling and pruning work	2	1,667.04	1	10,800						
Deterioration of habitats of priority interest							1 ⁽¹⁾	3,001 ⁽¹⁾		
Unauthorised work in protected areas	1	4,800								
Work without authorisation	1	24,001 ⁽¹⁾⁽³⁾								
Environmental liability (death due to a collision involving an Imperial eagle)			1 ⁽²⁾	56,110.90 ⁽²⁾						
Non-compliance with waste authorisation procedures							1	1,020.00		
Total	6	30,838.5⁽¹⁾	2	66,910.90	1	90.15	2⁽¹⁾	4,021⁽¹⁾	4⁽¹⁾	1,081.84⁽¹⁾

Scope of data: Red Eléctrica de España S.A.U. and Red Eléctrica Corporación S.A. (1) Information updated in 2023. (2) Case file appealed through an adversarial administrative proceeding. (3) Case file on appeal.

Type of infringement	2019			2020			2021			2022			2023		
	No. of case-files	No. of infringement	Amount (€)	No. of case-files	No. of infringement	Amount (€)	No. of case-files	No. of infringement	Amount (€)	No. of case-files	No. of infringement	Amount (€)	No. of case-files	No. of infringement	Amount (€)
Incorrect waste management		4	27,096.99										1	1	502.98
Work without authorisation		3	37,771.90												
Minor administrative misdemeanour	4	2	3,912.28												
Failure to monitor birdlife. Logging of collisions					8	19,950.70									
Non-compliance regarding environmental noise monitoring				1 ⁽²⁾	3	2,207.67		1	795.02						
Non-compliance regarding non-ionising radiation quality monitoring					4	1,056.07	1 ⁽²⁾	1	369.62						
Non-compliance regarding flora and fauna monitoring								1	3,537.01						
Opening of access paths/roads without authorisation				1	1	11,925.11									
Non-compliance regarding the mandatory notification of the start of work										1 ⁽²⁾	2	548			
Non-compliance regarding monitoring birdlife during the dry season										1	1	747.78			
Disposal of surplus material		3													
Extraction of material in unauthorised areas		2													
Waste burning	1 ⁽¹⁾⁽²⁾	2													
Earth moving in unauthorised areas		1													
Failure to implement erosion measures in ACs		1	166,939.26												
TOTAL	5⁽¹⁾⁽²⁾	18⁽¹⁾	235,720.43⁽¹⁾	2⁽²⁾	16	35,139.55	1⁽²⁾	3	4,701.65	3⁽²⁾	3	1,295.78	1⁽¹⁾	1⁽¹⁾	502.98⁽¹⁾

Scope of data: Redinter. (1) Information updated in 2023. (2) Each case-file groups together a variable number of infringements.

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Leaks and spills in 2023

	1	2	3	4	5
Oil or hydrocarbon leaks and spills during equipment use and maintenance	1 ⁽³⁾	1 ⁽⁴⁾	5 ⁽⁴⁾	0	0

Leaks and spills produced in the life cycle of the facilities are included, even those that occurred in office buildings.

Scope of data: Redeia Corporación S.A. + Red Eléctrica de España S.A.U. + Red Eléctrica Andina S.A. + Red Eléctrica Chile Sp.A. + Redeia Infraestructuras de Telecomunicación S.A.

(1) Events classified as being incidents of minor relevance are not included.

(2) Classification of accidents according to their severity on a scale of 1 to 5 (1 mild-5 serious).

(3) There was one accident classified as minor:

- Spill of 20 litres of dielectric oil due to a broken transformer terminal. The oil has been completely retained in the machine's collection tank without affecting the sub-station soil. The tank is being cleaned up.

(4) There was one accident classified as minor:

- Spill of 20 litres of dielectric oil on the gravel and road due to a broken capacitive transformer. It affects an area of 20 m². Soil remediation tasks have been executed in the affected area.

(5) There were five accidental spills classified as significant:

- Leak of 1,700 l of dielectric oil from an oil cable (Oil Filled) affecting a soil surface not yet determined. Once the affected surface area has been assessed through characterisation studies, the necessary clean-up and restoration of the affected soil will be carried out.

- Spill of 750 l of dielectric oil due to a broken cable end bottle, affecting a surface area of 150 m² of soil. The necessary tasks are being carried out to clean up and restore the affected soil.

- Spill of 4,200 l of dielectric oil from a broken reactor radiator. Almost all of the oil was retained in the collection tank, but a small amount affected an area of 8 m² of the sub-station soil. The tasks for emptying and cleaning the tank and the affected area have been finished.

- Spill of 3,500 l of dielectric oil from a broken transformer terminal. All the oil has been retained in the collection tank without affecting the sub-station soil. The tasks for emptying and cleaning the tank have been finished.

- Spill of 150 l of diesel oil from a broken fuel tank (diesel) of a transport truck, affecting a compacted soil surface of 90 m². The tasks for emptying and cleaning the tank have been finished.

There were no major or serious accidents in 2023.

No spill has been included in the organisation's financial statements.

Waste broken down by type and disposal method / 306-1 / 306-3 / 306-4 / 306-5/ ESRS E5-5 p. 37 (a) / ESRS E5-5 p. 37 (b) ii. / ESRS E5-5 p. 37 (b) iii. / ESRS E5-5 p. 37 (c) i. / ESRS E5-5 p. 37 (c) ii

	2021		2022		2023	
	(kg)	(%)	(kg)	(%)	(kg)	(%)
Hazardous waste⁽²⁾ per waste management method / ESRS E5-5 p. 39						
Reuse	0	0.00	0	0,00	631	0.02
Recycling	450,802	77.07	700,389	89.66	3,492,866	90.08
Regeneration	636	0.11	26,797	3.43	341,190	8.80
Energy recovery	85,680	14.65	0	0.00	0	0.00
Removal (landfill)	47,776	8.17	53,983	6.91	42,755	1.10
Removal (incineration)	0	0.00	0	0.00	0	0.00
Total⁽¹⁾	584,894	100	781,169	100	3,877,443	100
Non-hazardous waste⁽²⁾ per waste management method						
Reuse	24,300	3.49	0	0.00	117,614	17.20
Recycling	523,838	75.21	693,769	91.87	522,785	76.46
Regeneration	43,669	6.27	3,445	0.46	10,300	1.51
Energy recovery	0	0.00	0	0.00	0	0.00
Removal (landfill)	104,728	15.04	57,975	7.68	33,035	4.83
Removal (incineration)	0	0.00	0	0.00	0	0.00
Total⁽¹⁾	696,535	100	755,189	100	683,734	100

Scope of data: Redeia. All circular economy indicators are direct measurements. / ESRS E5-5 AR 33 (c) / ESRS E5-5 p. 40

(1) Waste generated by Red Eléctrica represents more than 95% of the total waste generated in the Group. Regarding Red Eléctrica, there has been an increase of 2,853 t of hazardous and non-hazardous waste (1,530 t in 2022 and 4,383 t managed in 2023) due to the renewal and improvement of large sub-station equipment. Redeia's waste generation is associated with facility maintenance and construction tasks, work necessary to keep the assets in the best possible condition. These activities make it very difficult to predict the evolution of the quantities of waste produced, as they are linked to the number and type of actions carried out each year. This means that it is not possible to reduce waste without cutting down on the maintenance work required and the adaptation of the facilities.

(2) Waste management corresponds to that specified in the legal documentation on waste management. The amount of waste destined for recycling was 4,532 tons, which represents 98.35% of the total (included in the generic category of recycling: reuse, recycling, composting, anaerobic digestion, and regeneration). The increase in this percentage compared to 2021 (92.17%) is linked to the implementation of some of the measures corresponding to the 'Zero waste to landfill' project. On the other hand, the amount of waste not destined for reuse was 75 tons, which represents 1.64% of the total. / ESRS E5-5 p. 37 (d) SF₆ gas waste generated in Spain is sent to France for treatment, which consists of regeneration for subsequent reuse.

Non-hazardous waste (t)

	2021	2022	2023
Total solid waste recycled/reused	344.53	558.78	334.88
Total solid waste removed	104.72	47.47	5.20
Total non-solid waste	247.28	148.93	343.64
Total waste	696.53	755.18	683.73

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Total water withdrawal by source (m³)

303-3 / 303-5

	2021	2022	2023
Head Office	6,396	8,237	7,506
Other work centres	28,406	27,832	27,345
Total of all work centres ⁽¹⁾	34,802	36,069	34,851

Scope of data: Redeia.

(1) The data has a coverage of 99.4% in terms of personnel, including collaborators.

Note 1. The water consumed comes from the municipal supply network (72.1%), wells (25.7%), cistern (2.2%). In some centres there are reservoirs for accumulation of rainwater for sanitary use, fire prevention and irrigation. The reservoirs do not have mechanisms for counting the stored water so it is not possible to calculate the percentage of rainwater use.

Note 2. 88% of water is consumed in areas at high risk of water stress (high or extremely high-risk areas have been considered for the 'Baseline Water Stress' indicator published in WRI's 'Aqueduct Water Risk Atlas' tool).

Presence of facilities in protected spaces / 304-1 / ESRS E4-5 p. 33

	2021	2022	2023
Red Eléctrica de España S.A.U. ⁽¹⁾			
km of line in Red Natura/total km of line (%)	15.45	15.45	15.40
Number of sub-stations in Red Natura/number of sub-stations (%)	5.67	5.51	5.63
Surface area of facilities in Red Natura/total Surface area in Red Natura (%) ⁽³⁾	0.08	0.08	0.08
Red Eléctrica Andina S.A. ⁽²⁾			
km of line in Red Natura/total km of line (%)	3.13	4.15	3.69
Number of sub-stations in protected areas/number of sub-stations (%)	0	0	0
Surface area of facilities in protected areas/total Surface area in protected areas (%) ⁽³⁾	0.03	0.03	0.02
Red Eléctrica Chile SpA			
km of line in Red Natura/total km of line (%)	-	1.97	1.88
Number of sub-stations in protected areas/number of sub-stations (%)	-	0	0
Surface area of facilities in protected areas/total Surface area in protected areas (%) ⁽³⁾	-	0	0

(1) Red Natura (Natura 2000 Network) includes: SCI (Site of Community Importance) and SPA (Specially Protected Areas for birds).

Note 1. The most updated database published by MITERD is used to calculate the indicators. / **ESRS E4-5 AR 27 (a)**

Note 2. The mapping of facilities in service is improved and updated annually, which may result in some variations in the calculations that are not related to the increase or decrease of facilities. / **ESRS E4-5 AR 27 (a)**

(2) Protected areas according to legislation: National Reserve and buffer zone.

(3) Area occupied by lines, substations and submarine cables. The area occupied by the lines has been calculated assuming an occupation of 20 metres on each side of the line. The area occupied by submarine cables has been estimated at 1 metre on each side of the line. It is necessary to take into account that the occupation is overhead; there is only real occupation in the case of the towers. / **ESRS E4-5 AR 27 (g)**

Impacts on endangered species detected in 2023 / 304-2 / ESRS E4-5 p. 33

Species	No. of birds affected
Markham storm petrel (<i>Oceanodroma markhami</i>) ⁽¹⁾⁽⁵⁾	85
Montagu's harrier (<i>Circus pygarnus</i>) ⁽¹⁾	2
Great bustard (<i>Otis tarda</i>) ⁽²⁾	4
Houbara bustard (<i>Chlamydotis undulata</i>) ⁽²⁾⁽³⁾	3
Cinereous Vulture (<i>Aegypius monachus</i>) ⁽¹⁾	1

Scope of data: Redeia. / **ESRS E4-5 AR 27 (b)**

(1) Vulnerable species according to the National Catalogue of Threatened Species. / **304-4**

(2) Vulnerable species according to the IUCN Red List. / **304-4**

(3) Endangered species according to the National Catalogue of Threatened Species. / **304-4**

(4) Endangered species according to the IUCN Red List. / **304-4**

(5) Species in danger of extinction according to the Chilean List of Classified Species from the 1st to the 18th RCE Classification Process. / **304-4**

Species	No. of birds affected
Red kite (<i>Milvus milvus</i>) ⁽³⁾	1
Scopoli's Shearwater (<i>Calonectris diomedea</i>) ⁽¹⁾	4
Cory's shearwater (<i>Calonectris borealis</i>) ⁽²⁾	12
Black-bellied Sandgrouse (<i>Pterocles orientalis</i>) ⁽¹⁾	1
Canary Islands Stonechat (<i>Saxicola dacotiae</i>) ⁽¹⁾	1
Little bustard (<i>Tetrax tetrax</i>) ⁽³⁾	1

Species	No. of birds affected
White-faced Storm Petrel (<i>Pelagodroma marina</i>) ⁽¹⁾	1
Iberian Grey Shrike (<i>Lanius meridionalis</i>) ⁽²⁾	3
Western Canary Island curlew (<i>Burhinus oediconemus distinctus</i>) ⁽¹⁾	1

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Description of the most significant impacts on biodiversity / 304-2

Most significant impacts on terrestrial flora/vegetation

66 kV El Rosario-Guajara line. Transplanting of 4 Canary palm trees (<i>Phoenix canariensis</i>).
Dismantling of incoming and outgoing lines in SE Sabinal. Transplanting of 105 balsam spurge (<i>Euphorbia balsamifera</i>).
66 kV Granadilla-Chayofa/Granadilla-Los Olivos line. Transplanting of 17 specimens of canary gualdón (<i>Reseda scoparia</i>), 3 specimens of Canary Island spurge (<i>Euphorbia canariensis</i>) and 25 specimens of marguerite daisy (<i>Argyranthemum frutescens</i>).

Most relevant impacts on marine flora/vegetation

66 kV Chio-La Gomera line. Leak of 600 m³ of bentonite ^(*) into the marine environment in the area of the outlet to the sea of the horizontal boreholes in the island of Tenerife. The spill is estimated to occupy an area of approximately 1,200 m². The affected area is located inside the ZEC ES702001 marine strip Teno-Rasca. During the environmental monitoring work, no protected or vulnerable species have been observed in the area where the project is being carried out and, therefore, in the affected area. The area will be cleaned during 2024 by removing the bentonite poured through the Air-Lift system, avoiding any environmental impact.
132 kV Ibiza -Formentera line. Impact on 1,571 m² of seagrass meadows and 1,319.71 m² of areas with scattered seagrass (<i>Cymodocea nodosa</i>). Once the final data from the environmental monitoring reports are available and the area of natural habitat is delimited, the necessary restoration and regeneration measures will be undertaken.

Scope of data: Red Eléctrica de España S.A.U. / **ESRS E4-5 AR 27 (b)**

(*) Bentonite is a very fine-grained clay used in drilling to promote oiling of the drilling elements and provide stabilisation of the borehole walls. It is included in the list of substances approved for use at sea by the OSPAR Commission (Commission for the Protection of the Marine Environment of the North-East Atlantic) because of its low or no risk to the environment. Moreover, it is classified as non-hazardous waste according to the LER codification (European Waste List). When in contact with seawater, bentonite generates a mass that covers the seabed permanently and impedes the breathing of marine organisms, thus collapsing the different biological communities that have been buried.

Note. In addition, 5 incidents have been recorded in 2023 in the inside of protection spaces/sites. Four of them due to small spills of between 1-5 litres of hydrocarbons (hydraulic oil and diesel) on bare soil from machinery breakdowns and refuelling of the off-grid generator and a slight chemical bath leak during the construction of the 400 kV San Fernando de Henares sub-station located in the ZEC (ES3110006) Vegas, Cuestas, and Páramos del Sureste de Madrid. Also, during the construction of the Salto de Chira hydropower plant inside the El Nublo II SAC (ES70110039), there was a fuel spill from construction machinery, with a total of 45 litres spilled. In all cases, the spill has been cleaned up, removing the affected soil and verifying that there is no remaining impact.

Species included in the IUCN Red List and the national conservation list whose habitats are located in areas affected by operations / 304-4 / ESRS E4 SBM-3 p. 16 (c) / ESRS E4-5 p. 33 / ESRS E4-5 p. 40 (b) / ESRS E4-5 p. 40 (d) i.

Scientific name	Common name	Classification according to MITERD (Spanish Catalogue)	Classification according to the IUCN red list
<i>Aegolius funereus</i>	Boreal owl	Vulnerable	Least concern (LC)
<i>Aegypius monachus</i>	Cinereous Vulture	Vulnerable	Near threatened (NT)
<i>Aquila adalberti</i>	Imperial eagle	In danger of extinction	Vulnerable (VU)
<i>Aquila fasciata</i>	Bonelli's eagle	Vulnerable	Least concern (LC)
<i>Ardeola ralloides</i>	Squacco heron	Vulnerable	Least concern (LC)
<i>Aythya nyroca</i>	Ferruginous duck	In danger of extinction	Near threatened (NT)
<i>Botaurus stellaris</i>	Euroasian bittern	In danger of extinction	Least concern (LC)
<i>Burinus oedichnemus distinctus</i>	Stone curlew (West Canarian)	Vulnerable	Not Evaluated (NE) - species endemic to the Canary Islands
<i>Burinus oedichnemus insularum</i>	Euroasian stone curlew	LESRPE (Spanish List of Specially Protected Wild Birds)	Least concern (LC)
<i>Calonectris borealis</i>	Cory's shearwater	LESRPE (Spanish List of Specially Protected Wild Birds)	Vulnerable (VU)
<i>Calonectris diomedea</i>	Scopoli's shearwater	Vulnerable	Least concern (LC)
<i>Chersophilus duponti</i>	Dupont's lark	In danger of extinction	Vulnerable (VU)
<i>Chlamydotis undulata</i>	Houbara bustard	In danger of extinction	Vulnerable (VU)
<i>Chlidonias niger</i>	Black tern	In danger of extinction	Least concern (LC)
<i>Ciconia nigra</i>	Black stork	Vulnerable	Least concern (LC)
<i>Circus pygarnus</i>	Montagu's harrier	Vulnerable	Least concern (LC)
<i>Columba junoniae</i>	Laurel pigeon	Vulnerable	Near threatened (NT)

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Species included in the IUCN Red List and the national conservation list whose habitats are located in areas affected by operations / 304-4 / ESRS E4 SBM-3 p. 16 (c) / ESRS E4-5 p. 33 / ESRS E4-5 p. 40 (b) / ESRS E4-5 p. 40 (d) i.

Scientific name	Common name	Classification according to MITERD (Spanish Catalogue)	Classification according to the IUCN red list
<i>Dendrocopos leucotos</i>	White-backed woodpecker	In danger of extinction	Least concern (LC)
<i>Falco peregrinus pelegrinoides</i>	Barbary falcon	In danger of extinction	Not Evaluated (NE) - species endemic to the Canary Islands
<i>Fringilla teydea polatzeki</i>	Gran Canaria blue chaffinch	In danger of extinction (Gran Canaria)	Endangered (E)
<i>Fringilla teydea teydeai</i>	Blue chaffinch	Vulnerable (Tenerife)	Near threatened (NT)
<i>Fulica cristata</i>	Crested coot	In danger of extinction	Least concern (LC)
<i>Geronticus eremita</i>	Northern bald ibis	LESRPE	Endangered (E)
<i>Gypaetus barbatus</i>	Bearded vulture	In danger of extinction	Near threatened (NT)
<i>Lanius meridionalis</i>	Iberian grey shrike	LESPRE	Vulnerable (VU)
<i>Lagopus mutus</i>	Rock ptarmigan	Vulnerable	Least concern (LC)
<i>Lanius minor</i>	Lesser grey shrike	In danger of extinction	Least concern (LC)
<i>Larus audouinii</i>	Audouin's gull	Vulnerable	Vulnerable
<i>Marmaronetta angustirostris</i>	Marbled duck	In danger of extinction	Vulnerable (VU)
<i>Milvus milvus</i>	Red kite	In danger of extinction	Least concern (LC)
<i>Neophron percnopterus</i>	Griffon vulture	Vulnerable	Endangered (E)
<i>Neophron percnopterus majorensis</i>	Canarian Egyptian vulture	In danger of extinction	Endangered (E)
<i>Otis tarda</i>	Great bustard	LESRPE	Vulnerable (VU)
<i>Oxyura leucocephala</i>	White-headed duck	In danger of extinction	Endangered (E)
<i>Pandion haliaetus</i>	Osprey	Vulnerable	Least concern (LC)
<i>Pelagodroma marina</i>	White-faced storm petrel	Vulnerable	Near threatened (NT)
<i>Perdix perdix</i>	Grey partridge	In danger of extinction	Least concern (LC)
<i>Pterocles alchata</i>	Pin-tailed sandgrouse	Vulnerable	Least concern (LC)
<i>Pterocles orientalis</i>	Black-bellied sandgrouse	Vulnerable	Least concern (LC)
<i>Puffinus assimilis</i>	Little shearwater	Vulnerable	Least concern (LC)
<i>Puffinus mauretanicus</i>	Balearic shearwater	In danger of extinction	At critical risk (CR)
<i>Saxicola dacotiae</i>	Canary Islands stonechat	Vulnerable	Near threatened (NT)
<i>Tetrao urogallus aquitanicus</i>	Aquitainian capercaillie	In danger of extinction	Endangered (E)
<i>Tetrao urogallus cantabricus</i>	Cantabrian capercaillie	In danger of extinction	Endangered (E)
<i>Tetrax tetrax</i>	Little bustard	In danger of extinction	Near threatened (NT)

Scope of data: Red Eléctrica de España S.A.U. / ESRS E4-5 AR 27 (b)

Note 1. The main impact on protected species caused by Red Eléctrica's operations is that arising from the collision of the birds with the lines. Within the framework of the project of 'Birds and power lines: mapping of bird flight paths' species that are prone to colliding with the Red Eléctrica's overhead electricity lines have been identified (focal species, a total of 60) and whose habitats are in areas where these lines exist. Of the 60 species (52 species) registered, those identified as threatened are included in this indicator. In addition, endangered species for which accidental collisions have been identified in 2023, although not listed as focal species (*Lanius meridionalis*, *Circus pygarnus*, *Saxicola dacotiae* and *Pelagodroma marina*), have been included in the list.

Scientific name	Common name	Classification according to the MMA (Chilean list of classified species)	Classification according to the IUCN red list
<i>Oceanodroma markhami</i>	Markham's storm-petrel	In danger of extinction	Near threatened (NT)

Scope of data: Red Eléctrica Chile SPA.

Note 2. The main impact on protected species caused by Red Eléctrica Chile's operations is that arising from the collision of the birds with the lines. Endangered species for which accidental collisions have been identified in 2023.

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Priority ecosystem services

Service	Code CICES	Ecosystem service
<i>Conservation of biodiversity</i>	2.2.2.3	Maintaining populations in their early life stages and habitats
	3.2.2.1	Elements in nature that we believe should be conserved
	N/A	Habitats and their role in protecting people from fire
	3.2.2.2	Habitats in nature that we believe or would like future generations to enjoy or use
<i>Relevant provisioning services (food, water, timber, or fisheries)</i>	1.1.1.1	Any crops and fruits grown by people for human consumption
	1.1.1.5	Plants that are grown in fresh or salt water for human consumption
	1.1.1.2	Livestock raised in stalls and/or grazed outdoors for human consumption
	1.1.1.6	Animals that are farmed with fresh or salt water for human consumption
	1.1.1.3	Food from wild plants
<i>Climate regulation</i>	2.3.5.2 / 2.2.3.2	Regulation of physical air quality by habitats for humans
<i>Carbon capture (leaf, shrub, and soil structure)</i>	2.3.5.1	Regulation of our global climate by fixing atmospheric CO ₂
<i>Flood regulation</i>	2.2.2.1 / 2.2.2.2	Regulation of water flows in our environment
<i>Sediment regulation</i>	2.2.1.1	Control or prevention of soil losses
<i>Pollination</i>	2.2.2.1	Pollinators and seed dispersal
<i>Aesthetic enjoyment of the landscape</i>	3.1.2.1	Nature's capacity to provide information through research
	3.1.2.2	Nature's capacity to provide information through the transfer of inherited teachings and training in theoretical and practical skills
	3.1.2.3	The elements of nature that help people identify with the history or culture where they live or come from
	3.2.1.2	Elements in nature that have spiritual significance for people
<i>Services</i>	3.1.1.1	Use of nature for sport and recreation or other social uses
<i>Sediment regulation</i>	5.2.1.1	Physical barriers or soil formations that regulate landslides
<i>Flood regulation</i>	5.2.1.2	Physical barriers or geomorphological formations regulating runoffs
<i>Aesthetic enjoyment of the landscape</i>	6.1.1.1	Elements of the physical environment that we can actively enjoy
	6.1.2.1	Elements of the physical environment that we can passively enjoy
	6.2.1.1	Elements of the physical environment that are important as symbols
	6.2.2.1	Elements of the physical environment that we believe are important to others and future generations

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Fuel consumption (litres) / 302-1 / ESRS E1-5 p. 38 (b) / ESRS E1-5 AR 33

	2015	2019	2021	2022	2023
Diésel ⁽¹⁾	450,752	443,251	436,398	291,035	346,533
Petrol ⁽¹⁾	23,799	250,643	394,270	450,083	460,402
Gasohol ⁽¹⁾	0	0	3,435	6,436	0
Biodiesel ⁽¹⁾	121	0	0	0	0
LPG Autogas ⁽¹⁾	33	0	0	0	0
Off-grid diesel generating sets ⁽²⁾	5,061	2,472	235,001	259,418	233,885
Heating oil ⁽³⁾	0	0	34,859	49,000	55,994

Scope of the data: As of 2020, the data has a group-wide scope.

(1) Includes fuel consumed by fleet vehicles and shared leasing.

(2) In 2020, the methodology for calculating this indicator was modified.

(3) This type of fuel is only consumed at Hispasat facilities in Spain.

Electrical energy consumption (MWh) / 302-1

	2015	2019	2021	2022	2023
Total (MWh)	16,170	14,051	19,770	20,604	20,835
% Renewable	-	87	80.6	92.2	93%

Note: Includes the consumption of the Head Office, the electricity control centres (centres that operate 24/7 and have a high energy consumption) and the work centres (Regional offices and maintenance centres).

Except for 2015, the consumption of electric vehicles and the electricity consumption of telecommunications shelters (Reintel's activity) are included. As of 2020 the data corresponding to Redinter and Hispasat is included. **Energy generated and self-consumed is not included: 125,800 KWh** (corresponding to the energy generated and self-consumed in the campus and Seville buildings. At the moment, we do not have all the information for the rest of the buildings in which there is self-consumption.

Total energy consumption ⁽¹⁾ / 302-1 / ESRS E1-5 p. 35

	2015	2019	2021 ⁽²⁾	2022 ⁽²⁾	2023
Total energy consumption (MWh)	21,025	20,905	30,785	31,077	31,725
Total energy consumption (joules)	$7.59 \cdot 10^{13}$	$7.56 \cdot 10^{13}$	$11 \cdot 10^{13}$	$11.2 \cdot 10^{13}$	$11.4 \cdot 10^{13}$
% Renewable	-	-	52	61.2	61.1

Scope of data: Redeia.

Note: 1 kWh= $36 \cdot 10^6$ J; 1 l diesel= $37 \cdot 10^6$ J; 1 l gasoline= $34 \cdot 10^6$ J; 1 l diesel= $37 \cdot 10^6$ J; 1 l biodiesel= $32,79 \cdot 10^6$ J; 1 l LPG= $25,7 \cdot 10^6$ J

(1) Total energy consumption = fuel consumption + electricity consumption.

(2) The increase from 2020 is linked to the incorporation of the companies Redinter and Hispasat and the change in the methodology for calculating gasoil consumption of the off-grid generators.

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Indirect energy consumption. Electrical energy / 302-1

	2015	2019	2021	2022	2023
Transmission grid losses (MWh) ⁽¹⁾	3,943,023	4,088,490	4,790,251	4,503,670	5,003,461
Transmission grid losses (joules)	1.42•10 ¹⁶	1.47•10 ¹⁶	1.72•10 ¹⁶	1.62•10 ¹⁶	1.8•10 ¹⁶

Note: The data reflected in this table includes the losses of the peninsular system and those of the Balearic and Canary Islands systems. Since 2020, losses from Redinter's facilities have also been included, which in 2023 amounted to 44,926 MWh.

(1) The variations in the values of losses in the transmission grid are mainly related to the features of generation and demand in each year (generation mix—distance between generation points in relation to consumption points—, international exchanges, total demand, and demand curve). These factors depend on the electricity market and cannot be controlled by Red Eléctrica. However, the Company strives to identify and improve those points where it can have an influence. The increase in losses in 2023 is mainly associated with the higher share of renewable energy in the mix, which has increased from 42.23% in 2022 to 53.34% in 2023 (the increase in renewable generation is linked to a higher percentage of losses).

External energy consumption. Internal logistics / 302-2

	2015	2019	2021	2022	2023
Fuel consumption (litres)	238,240	194,558	209,109	247,921	274,071
Fuel consumption (joules)	8.82•10 ¹²	7.19•10 ¹²	7.73•10 ¹²	9.17•10 ¹²	10.14•10 ¹²

Applies to Red Eléctrica and Reintel activities.

Note 1. This fuel consumption corresponds to the transfer of materials between the company's different facilities (internal logistics). Does not include other types of transfers of materials or people.

Note 2. 1 litre of gas oil = 37•10⁶ joules.

Energy intensity / 302-3

	2015	2019	2021	2022	2023
Electricity consumption per employee in Head office (kWh/employee) ⁽¹⁾	7,126	5,645	6,859	6,359	5,578
Transmission grid losses – peninsular and insular systems (MWh/MWh transported) (%) ⁽²⁾	1.503	1.548	1.854	1.784	2.03
Average consumption of vehicles for logistical use (external) (litres/100 km)	26.6	22.8	22.31	22.83	23.26

(1) For the calculation, all personnel working in the Head Offices -Moraleja and Albatros- (employees of the group, interns, temporary workers and collaborators) are taken into account.

(2) The percentage indicated corresponds to the energy dissipated in losses with respect to total demand.

Reductions in electricity consumption / 302-4

Estimated annual savings	kWh/year	Joules/year
Installation or replacement of equipment (lighting and heating)	234,303	8.4•10 ¹¹
Energy management measures	844,954	30.4•10 ¹¹
Efficiency measures in electricity substations: switch-off of night-time lighting	10,522,517	37.8•10 ¹²

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Direct GHG emissions (scope 1) (t CO₂ eq)⁽¹⁾⁽²⁾

305-1 / ESRs E1-6 p. 44 (a) / ESRs E1-6 p. 48 (a) / ESRs E1-6 AR 43 (a)

	2015	2019 ⁽³⁾	2021	2022	2023
SF ₆ ⁽⁴⁾	32,623	21,943	20,988	17,718	25,790
HVAC systems	840	975	741.5	516	333
Fleet vehicles	2,124	1,845	1,926	1,662	1,875.5
Off-grid diesel generating units	182	321	501.5	504	541
Heating		232	100	142	152.5
Total direct emissions⁽³⁾	35,769	25,316	24,257	20,542	28,692

(1) The calculation of emissions is performed from an operational control perspective. Find out more information about the scope and methodology of the inventory on the corporate website. The inventory has been independently reviewed in accordance with ISAE 3410 standard. / ESRs E1-6 AR 39 (b) / ESRs E1-6 AR 40 / ESRs E1-6 AR 43 (b)

(2) Emissions expressed in t CO₂ eq. Relevant emissions in 2023 of gases other than CO₂: SF₆ emissions (2023): 9,097.45 kg; emissions of refrigerant gases (HFCs): 182.22 kg (R-410 A, R-453 A, R-407C and R-32).

(3) From 2020, the data has group scope. 2019 has been defined as the base year for the emission reduction targets, so the recalculation of emissions in that year has been carried out to consider all companies. / ESRs E1-4 p. 34 (c)

(4) The increase in emissions is mainly associated with an accident at a sub-station that resulted in the emission of 201 kg of SF₆ (4,724 t CO₂ eq), emissions without considering the accident would have been 23,968 t CO₂ eq. The 100-year GWP from the fifth IPCC:23500 report is used. / ESRs E1-6 AR 39 (d)

Emissions offset

	2022 ⁽¹⁾	2023 ⁽²⁾
Redeia Forest (OECC registration)	2,132 (10.3%)	956 (3.3%)
Offsetting projects (VCS)	18,428 (89.6%)	27,745 (96.7%)
Total compensation	20,560	28,701
% of projects in the U.S.	10.3%	3.3%
% of carbon removal projects	10.3 %	15.5 %

(1) Equivalent to all Scope 1 emissions in 2022 and 18 tons from corporate events (Shareholders' Meeting and Sustainability Workshops).

(2) Equivalent to all Scope 1 emissions in 2023 and 9 tons from corporate events (Shareholders' Meeting and Sustainability Workshops).

Indirect GHG emissions linked to electricity generation (Scope 2) (t CO₂ eq)⁽¹⁾

305-2 / ESRs E1-6 p. 44 (b) / ESRs E1-6 p. 49 (b)

	2015	2019 ⁽²⁾	2021	2022	2023
Associated with electricity consumption ⁽³⁾	5,441	1,238	625	365	331
Derived from transmission grid losses ⁽⁴⁾	1,135,791	791,544	645,906	726,849	591,639
Total indirect emissions	1,141,232	792,782	646,531	727,214	591,970

(1) The calculation of emissions is performed from an operational control perspective. Find out more information about the scope and methodology of the inventory on the corporate website. The inventory has been independently reviewed in accordance with ISAE 3410 standard. / ESRs E1-6 AR 39 (b) / ESRs E1-6 AR 40 / ESRs E1-6 AR 45 (a)

(2) From 2020, the data has group scope. / ESRs E1-6 p. 50 (a). 2019 has been defined as the base year for the emission reduction targets, so the recalculation of emissions in that year has been carried out to consider all companies. / ESRs E1-4 p. 34 (c)

(3) The emissions are calculated under the 'market based' approach, applying the emission factors associated with the market agents that supply the electricity, considering the energy with Guarantees of Origin (GoO) for Spain and the Renewable Energy Certificates (RECs) for the facilities in Latin America. The emissions for 2023 calculated under the 'location-based' approach (considering the average emission factors of each of the locations where the facilities are located) would be 594,320 t CO₂ eq. / ESRs E1-6 AR 45 (d) / ESRs E1-6 p. 49 (a)

(4) The emissions associated with transmission grid losses, in the same way as the emissions associated with electricity consumption, do not occur during the company's activities as they take place at the different power generation points. The calculation of these emissions is calculated not only taking into account the emission factors corresponding to each system (Spanish mainland, Balearic Islands or Canary Islands), which are calculated by Red Eléctrica based on the annual generation balance, but also the emission factors corresponding to each country (taking as a reference the value provided by the IEA for Peru and the value published by the National Energy Commission in Chile). The decrease in emissions is mainly due to the improvement in the emission factor of the electricity mix in Spain. In 2023, it had a higher share of renewables compared to 2022 (average factor 0.122 t CO₂ eq/MWh versus 0.163 t CO₂ eq/MWh), primarily associated with greater hydroelectric generation (41% more hydroelectric generation than in 2022). This means a significant increase in solar generation (47.6%) and a decrease in combined cycle generation (32% less than in 2022) and coal (50% less than in 2022).

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Other indirect GHG emissions (Scope 3) (t CO₂ eq)⁽¹⁾ / 305-3 / ESRS E1-6 p. 44 (c) / ESRS E1-6 p. 51

	2015	2019	2021	2022	2023
Purchase of goods and services ⁽²⁾	304,596	268,836	283,234	301,214	363,427
Capital goods ⁽²⁾⁽³⁾	312,797	319,485	193,394	125,308	278,715
Energy generation (not included in Scope 1 and 2)	1,092	675	2,364	955	1,301
Transportation and distribution ⁽⁴⁾	1,416	2,093	1,253	1,000	1,096
Waste	96	193	70	49	110
Business travel ⁽⁵⁾	1,421	3,477	562	1,227	1,765
Employee commuting	2,894	5,317	1,716	3,790	2,850
Leased assets ⁽⁶⁾	117	39	162,5	90	10,361
Investments ⁽⁷⁾	-	17,341	15,033	32,188	59,885
Total indirect emissions (Scope 3)⁽⁸⁾	624,430	617,456	497,788	465,821	719,510

The calculation of emissions is made considering the GHG Protocol methodology. (Detailed information available on the corporate website). Categories 9, 10, 11, 12 and 14 are not applicable to Redeia's activities. The inventory was submitted to independent review in accordance with ISAE 3410. / **ESRS E1-6 AR 39 (a) / ESRS E1-6 AR 46 (a) / ESRS E1-6 AR 46 (c) / ESRS E1-6 AR 46 (d) / ESRS E1-6 AR 46 (e)**

(1) As of 2020, the data has a group-wide scope / **ESRS E1-6 AR 46 (h) i**. (A part of the Hispasat companies, which is considered non-material, has not been included. It is expected to be incorporated in 2024). 2019 has been defined as the base year for the emission reduction targets, so the recalculation of emissions in that year has been carried out to consider all companies. / **ESRS E1-4 p. 34 (c)**

(2) For the correct interpretation of the data, it is necessary to consider that the emissions associated with the purchase of goods and services and capital goods depend on the characteristics of the specific goods and services/capital goods purchased each year (which entail different carbon emission intensities) and the volume purchased (annual expenditure). In 2023, there has been a 16% increase in annual expenditure, while the carbon intensity of the goods and equipment purchased has also been higher.

(3) Includes emissions associated with the manufacture and launch of the Nexus-Amazonas satellite: 164,338 t of CO₂ eq.

(4) Corresponds to the emissions associated with internal logistics and other emissions related to the transportation of materials.

(5) Includes trips made by train, plane, own vehicle, rental vehicle and taxi.

(6) All emissions correspond to upstream leased assets. The increase in emissions in 2023 is mainly associated with the revision of the methodology, which has resulted in a change in the categorisation of some emissions that in previous years were included in category 1. Emissions related to downstream leased assets is 0 for the historical data series. / **ESRS 2 BP-2 p. 13 (a)**

(7) Incorporates the emissions associated with the group's shareholding in the following companies: Transmisora Eléctrica del Norte S.A, Argo Energia Empreendimentos e Participações S.A., Hisdesat Servicios Estratégicos, S.A., and Grupo Sylvestris S.L. / **ESRS E1-6 AR 46 (h) ii**. The increase in emissions in 2023 is associated with a modification of the methodology that has resulted in a change in the categorisation of some emissions that were previously incorporated in category 2.

(8) In 2023, the increase in scope 3 emissions, without considering the manufacture and launch of the Nexus-Amazonas (Hispasat) satellite, was 19%.

Greenhouse gas emissions intensity / 305-4

	2015	2019	2021	2022	2023
Emission of SF ₆ / installed SF ₆ (%)	0.37	0.19	0.18	0.15	0.21
Fleet vehicle emissions (kg CO ₂ / km) ⁽¹⁾	0.27	0.16	0.15	0.13	0.16
Emissions (1 and 2)/turnover (t CO ₂ /million euros) ⁽²⁾⁽⁴⁾	645	415	343	371	301
Emissions/energy transmitted (t CO ₂ /GWh) ⁽⁵⁾	4.5	3.0	2.5	2.9	2.4

(1) Fleet vehicles + shared leasing (does not include executives or trucks). Scope of the indicator: companies in Spain except Hispasat.

(2) Scope 1 and 2 emissions. The data of the historical data series consider the market-based method. The same indicator using the location-based method would be 302 t CO₂ eq/million euros for 2023.

(3) Emissions and revenue data from 2019 include the activities of Reintel. Data for 2020 also include Redinter and Hispasat.

(4) Scope 1 and 2 emissions. The total energy transported corresponds to the annual demand as measured at power station busbars (the point where it leaves the power station) and it covers the Spanish mainland, Balearic Islands and Canary Islands systems, and also the energy fed into Redinter's facilities.

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Reduction of GHG emissions / 305-5

Net savings in 2023

	t CO ₂ eq
Contracting of electricity supply GdO or IRECs ⁽¹⁾	2,350
Implementation of self-consumption solar installations	12.32
Reduction of emissions by carrying out SF ₆ leak repairs on equipment	1,352
Reduction of commuting emissions associated with the increase in remote work	939.5

Annual savings

	t CO ₂ eq./year
Reduction of SF ₆ emissions by replacing old equipment with equipment with lower leakage rates	99.41
Switching off of night-time lighting in electricity substations	1,284
Implementation of energy efficiency measures (renovation of equipment and management) ⁽²⁾	25.2

(1) Electricity with Guarantee of Origin or IRECs 0 t CO₂/kWh.

(2) The energy efficiency measures that were implemented in the work centres result in minor emission savings as most of the energy consumed (saved) comes from renewable sources.

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Human Capital

9



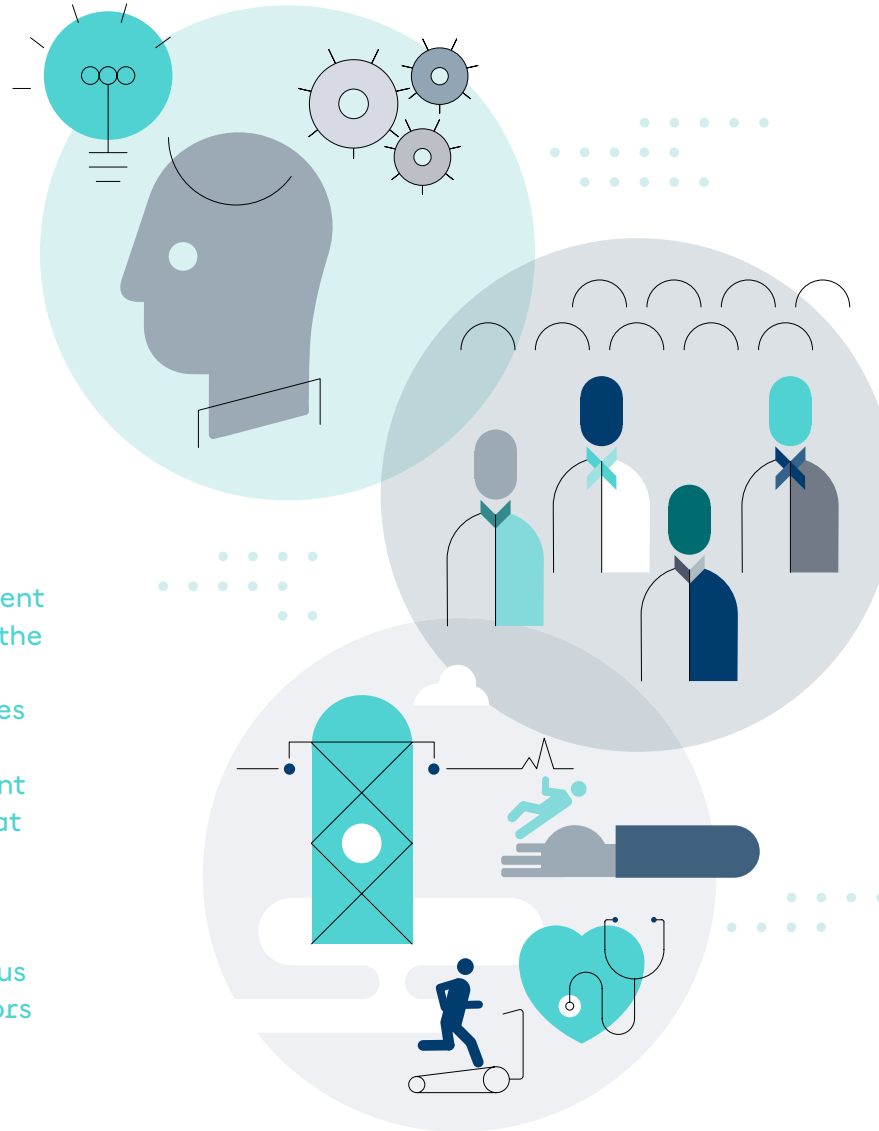
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Key Aspects

- Talent Development
- Diversity
- Healthy Workplace

The evolution of the environment and new technologies create new talent needs. Hence, it is vital for the Group to swiftly identify in advance the required profiles and to have adequate plans for professional development and new ways of working that attract and retain talent.

The company must continue to set increasingly ambitious goals, considering all vectors in the areas of diversity, health, safety, and the wellbeing of people.



Our Value Creation Model

1 We identify the RISKS

Difficulty in having the necessary talent available, both in terms of external recruitment and the adaptation of specific skills.

Accident rates.

2 We take advantage of OPPORTUNITIES

Creation of a map of critical positions for proper planning of talent needs.

Consolidation of leadership to maintain the Group's capacity for transformation.

Development of digitalisation to facilitate new capabilities and adaptation to new environments.

Integration of technologies that minimise the risk of work-related injuries.

Progress in the identification, control, and minimisation of psychosocial risks and mental health issues.

Promotion of a comprehensive employee wellbeing model.

3 We maximise the positive IMPACTS

Fair wages.

Safety, health, and wellbeing of employees.

Diversity.

Employee training.

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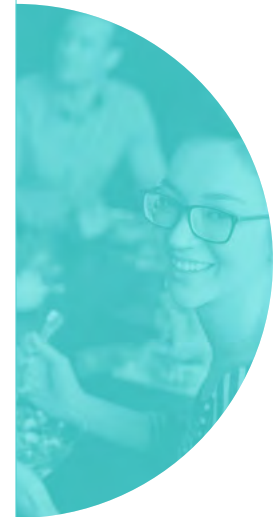
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9.1 Quality Employment



9.2 Diversity

9.3 Talent Development



9.4 Healthy Organisation

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9.1

Key Indicators in 2023

2,477 employees

98.7% permanent positions.

6.6% overall external turnover rate.

2023 Milestones

Launch of the Company's Knowledge Plan.

Update of the "Candidate Portal".

Implementation of hybrid work, improvement of legal permissions and licenses, and maintenance of the workforce's purchasing power with certainty and sustainability in personnel expenses, by signing the XII Collective Agreement of Red Eléctrica de España S.A.U. and the Collective Agreement of Redeia Corporación S.A.

Challenges for 2024

To carry out a process of assessing critical roles to identify of key levers for retaining the best talent.

To strengthen Redeia's employer brand.

9.1 Quality Employment / 401-1

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Redeia establishes in its **People Policy** the principles that govern personnel management through leadership, efficiency, innovation, cultural transformation, and personal and professional fulfilment, placing the employee experience at the core and addressing the impacts, risks, and opportunities related to this Group. This policy extends to all activities and geographical areas in which the organisation operates to ensure that adherence to the principles set forth contributes to achieving the organisation's

purpose, as well as the attainment of strategic objectives in coherence with the values, principles, and guidelines of conduct established in the organisation's Code of Conduct and Ethics. The ultimate responsibility for the application of

this policy lies with the Executive Committee, and to facilitate the availability of the People Policy to the relevant stakeholders, it is accessible on the corporate website and the intranet. / **ESRS S1-1 p. 17**
/ **ESRS S1-1 p. 19**

Redeia's Strategy concerning people / **ESRS S1-4 p. 38 (c)**

Vision	Global Objectives	Achievements in 2023
<p>To develop the cultural aspect of the transformation process in which the Company is immersed.</p>	<ul style="list-style-type: none"> • To promote cultural transformation and sustainable management and convert the organisation into a benchmark company as a healthy workplace. • To pursue the health and safety of individuals to achieve healthy work environments. • To develop an innovative, agile, and collaborative culture, fostering talent, anticipating needs, and achieving an organisation capable of facing the challenges of the strategic plan in a changing environment. 	<ul style="list-style-type: none"> • 50% women on the Board of Directors. • 36.2% women in the management team. • Revalidation of the Bloomberg Gender-Equality Index (GEI) distinction. • Award for best practices in Internal Communication for the occupational risk prevention campaign "Así de Fácil. Gestos que marcan la diferencia" (It's that easy. Gestures that make a difference). • 7.4% internal mobility. • Reduction by 0.35 points to 0.28 in the severity index of accidents, including contractors, compared to the reference value for the period (2023: 0.63).



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Additionally, within the regulatory framework, there are several processes or activity development standards applicable to the different Redeia companies related to human capital. These include, notably, those related to learning, diversity management, digital disconnection, or the technical procedures for the organisation of the safety of construction and maintenance work.

At the governance level, people management is regularly reported

Redeia is firmly committed to the development of its professionals and to maintaining their internal employability throughout their life cycle, through integration, development, learning, and mobility programmes.

in the three committees of the Board of Directors: the Sustainability Committee, the Appointments and Remuneration Committee, and the Audit Committee.

A stable, committed, and highly qualified team

Redeia has a strong commitment to the development of its professionals and to maintain their internal employability throughout their life cycle through integration, development, learning, and mobility programmes.

As of 31st December 2023, Redeia had a global workforce of 2,477 people (see note 24, section D in the Consolidated Annual Accounts of the group) / **ESRS S1-6 p. 50 (€)**. Redeia's workforce grew by 2.4% in 2023.

98.7% of positions at Redeia are permanent, with a commitment to employability and functional mobility as a lever for growth and professional development.

Redeia's commitment to stable and quality employment is reflected in



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two key aspects: the scarce use of non-permanent contractual modalities and the goal of keeping the voluntary turnover rate below 2%. Thus, in 2023, only 3.1% of contracts were for training purposes or entered into with Employment Agencies, used exclusively to ensure coverage for temporary assignments to projects, maternity/paternity leave, and long-term temporary incapacity situations. Regarding voluntary turnover, in 2023 this was 3.4%. Redeia works on designing action plans with the information obtained in the exit interviews, with leaders, and in various listening processes as inputs to understand the motivation behind the change.

In order to adapt the workforce to business needs and incorporate new capabilities and competencies required for the energy transition and Redeia's transformation, a new Incentivised Departure Plan was carried out in 2023, with an adherence percentage of 94% of the total maximum exits according to the plan's conditions.

Distribution of Redeia's workforce / ESRS 2 SBM-1 p. 40 (a) iii. / ESRS S1-6 p. 48 / ESRS S1-6 p. 50 (a)

2,477

Total workforce employees

98.7%

Permanent positions

14.3 years

Average seniority

6.6%

Overall external turnover rate

By Company / %

52.2

Red Eléctrica

21.6

Hispasat

17.0

Corporate Services

4.8

Redinter

2.8

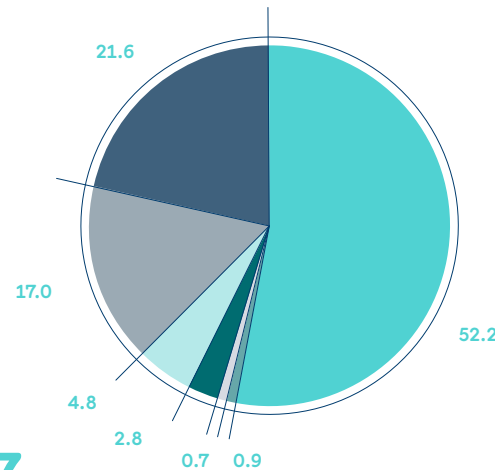
Reintel

0.7

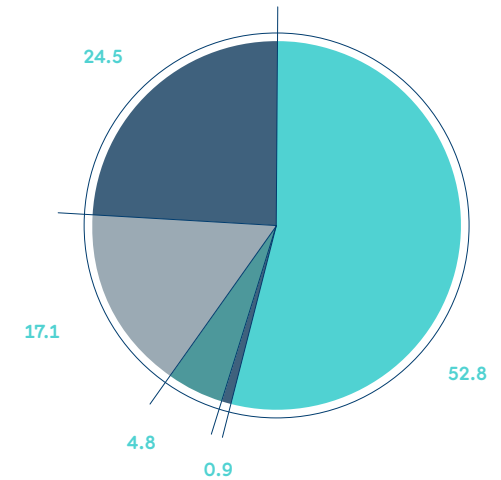
Other companies

0.9

Elewit



By Type of Business / %



17.1

Corporate Services

52.8

Electrical items

4.8

International

24.5

Telecommunications

0.9

Technological

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Distribution of Redeia's workforce

ESRS S1-6 p. 48 / ESRS S1-6 p. 50 (a)



In 2023, Redeia incorporated 210 new employees across the various Redeia companies, with 39.5% being women and 60.5% men.



Talent acquisition, selection, and integration: new hires

401-1

All Redeia companies join forces to attract and integrate talent, equipping the organisation with the best professionals to contribute to the achievement of its goals, anticipating its staffing needs through a methodology that defines specific strategies for each type of vacancy and ensuring non-discrimination, diversity, and inclusion of all groups.

As part of the 2023 recruitment strategy, the company continues to strengthen its employer brand. To this end, a specific project has been developed with the goal of identifying, describing, and sharing the Employee Value Proposition (EVP) that Redeia can offer. Furthermore, the hashtag "Put your #TalentOnTheNetwork" has continued to be used on major social networks. This process is complemented with the contributions from exit interviews and listening processes that provide insights

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Redeia offers its workforce stable and quality employment, committing to employability and functional mobility as a lever for growth and professional development.

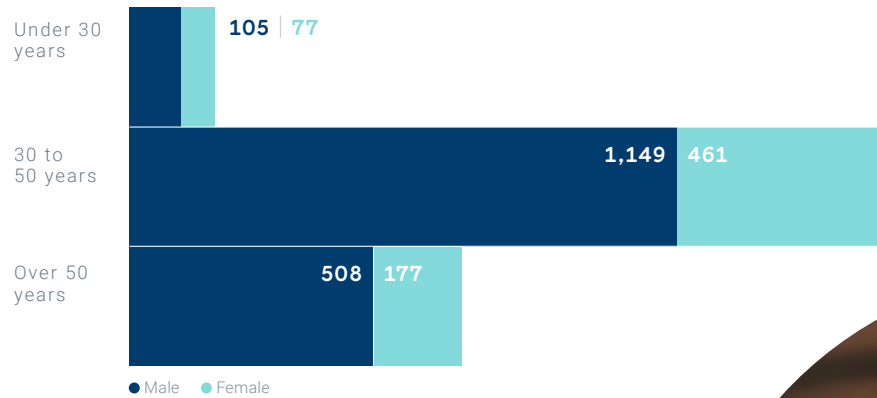


related to talent loss, with the aim of designing action plans to mitigate this risk.

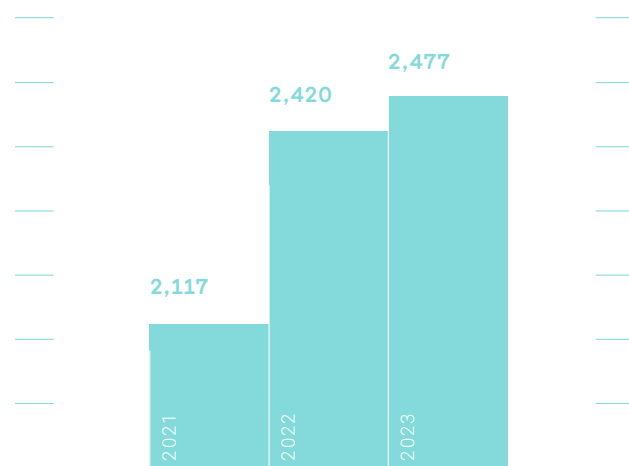
Furthermore, Redeia has improved the visibility of the new brand through the "Careers Portal" section on the website, which covers 100% of the organisation, has redefined job listings to ensure non-discrimination for any condition and promote diversity and inclusion, ensuring minority representation from the initial stages of the application process, has improved the recruitment process through strategic positioning, data analysis, and leveraging major recruitment social networks, and has established and applied a methodology to identify and fill critical roles, enhancing talent retention.

To maintain the desired level of employee experience, the "Candidate Portal" has been kept up to date, where the portal facilitates the onboarding process for future professionals digitally, offering the chance to become acquainted with the company and its main projects and initiatives even before

Distribution of Redeia's workforce / No. of employees



Evolution of Redeia's workforce / No. of employees



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joining. Once onboard, the new employee starts the "Onboard with Redeia" Welcome and Integration Plan, where they immerse in the Company's culture through a gamified experience. Within this Plan, the mentor plays a crucial role, accompanying the professional throughout the process.

Additionally, Redeia has launched the Company Knowledge Plan, with sessions in which high-performing and high-potential professionals showcase the organisation's activities. This Plan also includes networking events for peers from the same cohort and visits to the most representative business areas.

Compensation and Remuneration

Redeia compensates employees in all the countries it operates in line with the overarching principles of its remuneration model, which are based on widely accepted standards of:

- Internal equity and external competitiveness.

- Coherence with the organisational and development model.
- Opportunity for salary progression.
- Differentiated recognition of outstanding contributions.

All the above, taking into account the legislation applicable in each territory and ensuring equality and non-discrimination.

The goal of this remuneration model is to achieve the retention, motivation, and commitment of employees and to help achieve the set objectives, also ensuring compliance with the Group's strategy.

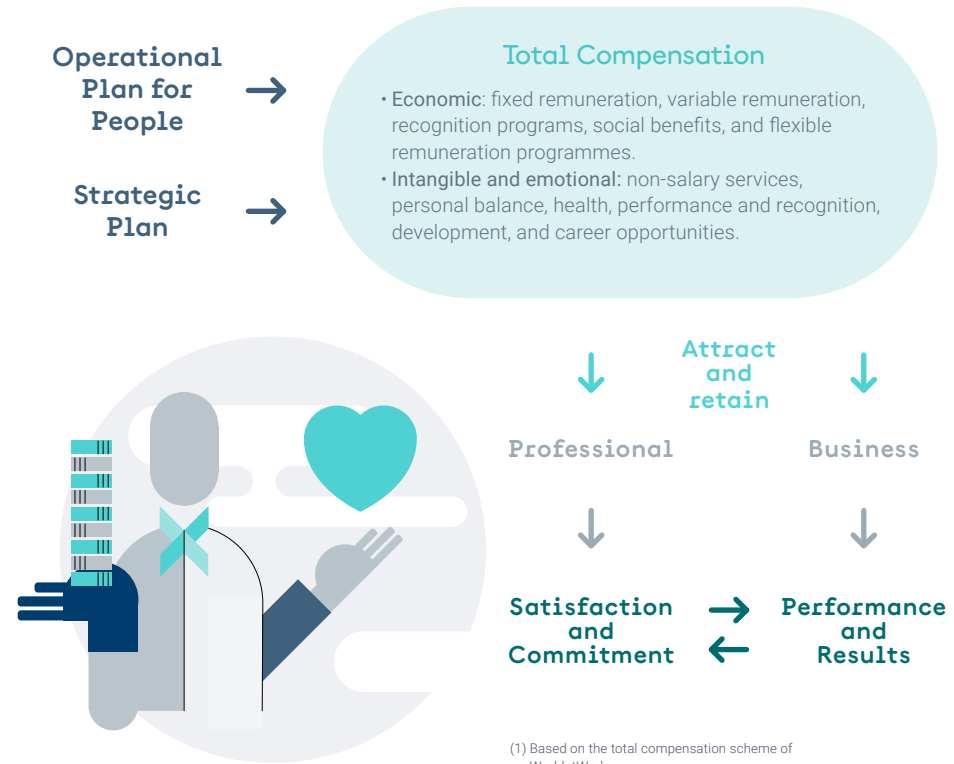
Redeia applies a total compensation model that includes both tangible or economic elements, as well as intangible ones.

Performance-Based Variable Remuneration

36% of Redeia's staff is entitled to variable pay. This remuneration scheme is grounded in predetermined performance-based metrics and adheres



Total Compensation Model ⁽¹⁾



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The 2021-2025 Exceptional Investment Incentive Plan aims to reward the execution of specific actions considered critical for implementing the strategic plan.



to best practices regarding the establishment of targets and the associated weighting for each category. It is further aligned with the organisational hierarchy, which is why the 100% executive team is included in the annual variable pay structure.

Redeia incorporates sustainability criteria when setting annual managerial targets. **Leadership objectives** are also integrated, linking the executive team's pay to Redeia's leadership framework.

Additionally, **long-term goals** are set, which are rewarded through various incentive schemes that follow the Company's strategic imperatives.

Redeia is committed to developing bespoke compensation programs that reflect its operational focus, such as the Exceptional Investment Incentive Plan 2021-2025. This five-year initiative aims to reward the execution of specific actions considered critical for implementing the strategic plan.

Flexible Remuneration and Share Scheme

Redeia offers a flexible remuneration package that enables customised compensation structures for its professionals, optimising the take-home pay for employees in Spain. This includes options such as health insurance, educational opportunities, life insurance, transportation cards, restaurant vouchers, childcare vouchers, and participation in Redeia Corporación S.A.'s share purchase schemes.

Recognition Programmes

As part of the talent differentiation process, Redeia acknowledges the contributions of all its employees through remuneration processes that



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reward effort, responsibility, and commitment of all staff to the Company's planned annual activities and objectives.

Furthermore, there are specific recognition programmes in place that are tied to the development of innovative and efficient ideas, as well as revenue generation, with the aim of enhancing the participation of all professionals. / **ESRS S1-4 p. 38 (c)**

The criteria for these remuneration processes ensure at all times that pay practices are non-discriminatory, eliminating any bias related to gender, age, origin, sexual orientation, gender identity, religion, and race, among others, thus guaranteeing equality in the application of remuneration practices and policies.

In 2023, with the goal of increasing pay transparency, various training sessions on remuneration matters have been conducted for the organisation's leaders to reinforce their role as a key communication channel in the main people management processes.

Exceptional Measures to Combat Inflation

In light of the global inflationary situation, in 2023, Redeia implemented various measures to adapt to this context and improve its employees' wellbeing. As such, both inflation adjustments and non-consolidated extraordinary payments have been made for groups particularly affected by inflation.



Pay Equity

Redeia rewards its professionals based on principles of equity, reflecting the level of responsibility and professional experience associated with each role. The annual salary review processes are tailored to the individual's contribution over the year and the achievements realised, ensuring that decisions are never influenced by gender, age, origin, sexual orientation and identity, religion, or race. This approach guarantees the upholding of non-discriminatory remuneration practices and policies.

In line with market recommendations and best practices, Redeia comprehensively includes all components of employee compensation in the calculation of average salaries and in assessing the gender pay gap.

The gross pay gap is presented as a percentage, representing the variance in average total remuneration between female and male employees, relative to the average total remuneration of males. However, this metric does not accurately portray Redeia's salary landscape, as it does not account

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for variables such as the level of responsibility, function in various roles, length of service, or the traditionally male-dominated nature of the sector, among others.

ESRS S1-16 p. 97 (c)

In a move to enhance salary transparency and to delve into gender pay disparities, Redeia has, in 2023, introduced the adjusted pay gap calculation. This initiative aims to uncover the underlying causes of these disparities, as this refined calculation method isolates and identifies contributory factors, facilitating a more insightful analysis.

The methodology behind the adjusted pay gap is designed to scrutinise the root causes of gender pay discrepancies, enabling

the identification of necessary adjustments for ongoing monitoring and mitigation.

This involves a mathematical correlation analysis to pinpoint the internal variables most significantly affecting remuneration. The pay gap is then recalculated, discounting the influence of significant variables such as geographic location, level of responsibility, function across various roles, length of service, and so forth.

In 2024, Redeia will implement measures to sustain its dedication to narrowing the pay gap.

Since the enactment of Royal Decree 902/2020 on equal pay for women and men in 2020, the company has maintained an annual remuneration register accessible to the workers' legal representatives. This register has facilitated the introduction of improvements, including the proactive management of systems to ensure the accurate updating of remuneration data and the continuous refinement of employee segmentation.

ESRS S1-4 p. 38 (c)

Pay Gap Indicators for the Year 2023

	2020	2021	2022	2023
Ratio of average salary remuneration of men to women / 405-2	91.04%	93.49%	91.89%	88.04%
Gross pay gap (%) / ESRS S1-16 p. 97 (a)	8.96%	6.51%	8.11%	11.96%
Adjusted pay gap (%)	4.85%	4.40%	5.10%	5.00%

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Key Indicators in 2023

28.9% women in the workforce.

36.2% women in the management team.

Milestones 2023

Development of the new Comprehensive Diversity Plan for 2023 – 2025.

Development of the new Disability Plan for 2024 – 2030.

Renewal of the DIE Badge (Ministry of Equality).

Challenges for 2024

Renew the certification as a Family-Responsible Company (EFR).

Renew the DIE Badge (Ministry of Equality).

Define a scholarship plan for young people with disabilities.

Awards and Recognitions

Revalidation of the Bloomberg Gender-Equality Index (GEI) badge.

9.2 Diversity

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Redeia promotes equality of opportunities as a means to enhance wellbeing at work, creating an environment that supports work-life balance and firmly backing the diversity of knowledge, experiences, and gender.

In the second quarter of 2023, Redeia approved a new **Comprehensive Diversity Plan for 2023-2025**, which continues the action areas of the previous plan while identifying new objectives for 2025 to align them with the Company's needs.



Redeia employs individuals from 28 different nationalities, with 98% of the workforce being native to the country in which they operate.



Comprehensive Diversity Plan for 2023-2025

ESRS S1-9 p. 66 (a) / ESRS S1-1 p. 24 (d) / ESRS S1-5 p. AR 49 (c)

Mission

To inspire and be a benchmark, both within Redeia and in the social, work, and personal spheres, through a commitment to talent diversity, socio-labour inclusion, and non-discrimination, confronting stereotypes and cultural barriers.

Aims

- To promote diversity in the management of Redeia's people, consolidating a culture of diversity, equal opportunities, equity, inclusion, and non-discrimination.
- To extend the diversity, inclusion, and equity strategy to the value chain.
- To participate with official organisations, academic institutions and other social agents in campaigns and projects that enable Redeia to become a leading social agent that will contribute to building a more diverse, equitable, and inclusive society.
- To reduce inequalities if they occur (corporate gaps such as wage or digital).
- To implement mechanisms to avoid discrimination biases.
- To support the employment inclusion of excluded and/or socially vulnerable individuals.

Objectives

- Gender equality. 38% women in the Group's management team and 31% women in the workforce.
- Disability. At least 40% of the legally required minimum (2%) of direct hiring of people with disabilities and a 20% increase in the volume managed via Special Employment Centres for service provision at Redeia.

Achievements 2023

- 36.2% (59) women in the management team (compared to the 104 men who make up the remaining 63.8% of the management team).
- A 6.1% increase in women in Redeia's workforce.
- Rating in work-life balance as a Family-Responsible Company (EFR) B+.

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Gender Equality and Opportunities / ESRS S1-1 p. 24 (d)

Gender equality is one of the key elements included in the new Comprehensive Diversity Plan and addresses the principles of

equal employment opportunities, promotion of women to positions of responsibility, equal pay between men and women, promotion of shared family responsibilities, prevention of moral and sexual

harassment, and prevention of gender-based violence. These aspects are monitored through a dashboard with indicators that enable the Group to measure the progress of the objectives defined.

Gender Equality in 2023

50.0 %

Gender balance on the Board Committees (audit, sustainability, and nominations and remuneration)

Women at the highest executive level

50.0 %

45.5 %

Women on the Executive Committee

Women in management positions

36.2 %

Women in top-level, senior-level, middle-level, and lower-level management positions

27.3 %

33.3 %

Women in top-level managerial positions

Women in senior-level management positions

28.0 %

38.0 %

Women in middle-level management positions

20.3 %

Women in lower-level management positions

Women in non-managerial positions

29.1 %

29.2 %

of promotions have been awarded to women

Women in revenue-generating positions ⁽¹⁾

27.0 %

Women in STEAM positions

19.3 %

39.5 %

Women hired

22.5 %

Women in non-executive roles-identified with pre-executive potential

Overall turnover rate for women

7.3 %

⁽¹⁾ Management level positions that directly contribute to the Company's economic result.

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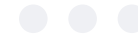
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As a result of Redeia's commitment to equality, the percentage of women in the workforce has been set at 28.9% in 2023 (up from 27.9% in 2022), with the goal of reaching 31% by 2025.

Furthermore, the number of women in executive positions has continued to grow, reaching 36.2% in 2023 (up from 35.3% in 2022), surpassing the target set for 2023 (35.0%), with the aim of achieving 38% by 2025.

Redeia is increasing its ambition in terms of gender equality and opportunities, with a new goal within the 2023 – 2025 Sustainability Plan: 38% of women in executive positions by 2025.



Key Actions in Promoting Diversity 2023 / ESRS S1-1 p. 24 (c)

Awareness and Training

- Celebration of the 5th Women's Week at Redeia, focusing on women's visibility in society.
- Awareness and communication campaigns against gender violence.
- Promotion of female leadership (the "In@lusionte" programme aimed at the executive team, with 70.3% participation).

Forums and Participation in External Working Groups

- The CEOE's "Promociona" and "Progesa" programmes.
- Antonio de Nebrija University's Female Leadership Programme.
- Mentoring at Women4Cyber Startup School for female entrepreneurs.
- The EOI's development programme for women with potential.
- "Women and Engineering" programme from the Ministry of Education and Vocational Training.
- Participation in AEMENER's STEM Careers Fair.
- Sponsorship of INTRAMA's Diversity & Inclusion Summit.

New Alliances

- Joining ClostinGap to produce reports and studies that highlight the gender gap in various sectors.
- Collaboration with Woman Action Sustainability (WAS) to promote commitment to sustainability and female talent.
- Renewal of the INTRAMA certificate as a Top Diversity Company, being one of the top 50 companies in Spain with the best practices in diversity and inclusion.

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Redeia continues to work on integrating of young female talent with initiatives such as the "Descubre" young talent programme, which in 2023 focused on recruiting of such profiles. In these initiatives, 44 women participated, accounting for 52% of the total number of scholarship holders. More information can be found in the section on Cooperation with the Educational Sector of this chapter.

Age Management

ESRS S1-4 p. 35 / ESRS S1-4 p. 37

This aspect of the Comprehensive Diversity Plan aims to achieve effective labour inclusion for all individuals, regardless of age or generation, through practices that value their experience, training, and knowledge, as well as other conditions that ensure their full personal and professional development.

Among other actions, the **Voluntary Retirement Plan** stands out, based on the principle of voluntariness and aimed at employees aged 63. This plan is part of the employment initiatives that seek to incorporate



At Redeia, five generations work side by side, harnessing the diverse values and knowledge that each contributes, creating a rich and rewarding work environment.



external talent with the new skills and competencies necessary to achieve the objectives set out in Redeia's 2021-2025 Strategic Plan. In 2023, the adhesion rate, based on the total maximum exits according to the plan's conditions, was 94%. This plan supports individuals in their exit process.

Since 2019, due to digitalisation, evolution, and the disappearance of certain jobs, the Company has been carrying out reskilling actions

focused on the older workforce to redirect functions and adapt their profiles. Thus, this group can perform new functions thanks to the new skills acquired.

In 2023, actions were taken to promote the recruitment of young, multicultural talent and talent from different generations to continue incorporating profiles with the new capabilities necessary for the cultural and digital transformation that Redeia is undergoing.

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Redeia employs 24 individuals with disabilities equal to or greater than 33%, complying with the General Law on the Rights of Persons with Disabilities.



2024-2030 DISABILITY PLAN

40

individuals

with disabilities is the direct hiring goal for 2030.

Inclusion of People with Disabilities

Redeia currently employs 24 individuals with disabilities equal to or greater than 33%, so the General Law on the Rights of Persons with Disabilities (LGD) is applicable in four entities, all of which comply with the established legal requirements. Additionally, there are no employees with disabilities subject to legal restrictions regarding data collection on this matter. / **ESRS S1-12 p. 79**

Moreover, Redeia's aspiration is not only to comply with current legal regulations, but also to advance in

the labour integration of people with disabilities. To this end, and as part of the 2023-2025 Comprehensive Diversity Plan, this year the Company has committed to developing a 2024-2030 Disability Plan, a multi-year initiative with the goal of establishing measures and actions aimed at achieving the direct hiring of 40 people with disabilities by the year 2030. Undoubtedly, this is a measure that will cover various aspects related to disability and will contribute not only to the labour and social integration of people with disabilities but also to raising awareness among Redeia's staff on this issue of great value to the Company.

In line with the above, and deepening Redeia's role as a social agent in the field of diversity, it is worth highlighting the contribution to the social and labour integration of people with disabilities through contracting with Special Employment Centres for part of the services provided, with the aim of increasing this volume by 20% by 2025.

In addition to internal awareness campaigns, Redeia participates in both institutional and private

campaigns for the integration of people with different abilities into the labour market. Among all these actions, the following stand out in 2023:

- The Family Plan with personalised assistance to improve the socio-labour integration of employees' family members with disabilities at Redeia.
- Corporate website with accessibility criteria, complying with Double-A Level standards of the Web Content Accessibility Guidelines 2.0 of the World Wide Web Consortium's Web Accessibility Initiative (WAI).
- Inclusive selection process.
- Support for the Adecco Foundation's 'Jobs for All' Programme.
- Aflora Plan to support employees who may qualify for the disability certificate.
- Corporate volunteering actions to raise awareness about the deaf-mute community, including an online sign language training course.

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Key Indicators in 2023

94.8% of staff trained.

€1,617.8 invested in training per employee.

8.7 average satisfaction with programmes.

100% of internal appointments to the Management Team are from the Talentia group.

Milestones 2023

Launch of the new Campus space.

Implementation of Development Action Plan workshops.

9.3 Talent Development / 404-2

Challenges for 2024

Awareness plan for the management team to boost the commitment of employees regarding their development.

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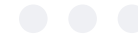
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Talent Development: committing to the potential of employees

ESRS S1-4 p. 38 (c) / ESRS S1-13 p. 81

Redeia is dedicated to nurturing talent through a framework that anticipates needs and fosters an organisation equipped to tackle the challenges of the 2021-2025 Strategic Plan amidst an evolving landscape. The aim is to drive cultural change and manage diverse and dedicated talent sustainably. This is achieved by fostering an innovative, nimble, and collaborative

culture, underpinned by self-leadership to cultivate a more resilient organisation poised to meet set challenges and engage across the entire employee lifecycle. This includes attracting top-tier professionals, streamlining staffing requirements, and establishing Redeia as an employer of choice.

The cultural shift is manifested in the **Leadership Model** and **Skills Model**, which delineate Redeia's preferred working approach.

In 2023, Redeia has championed the development of new requisite skills, striving to adopt more efficient working methods, with particular emphasis on roles emerging from the Company's transformation.



Redeia aims to become a benchmark for the transformation of talent and corporate culture, relying on digitalisation, technology, innovation, sustainability, and diversity.

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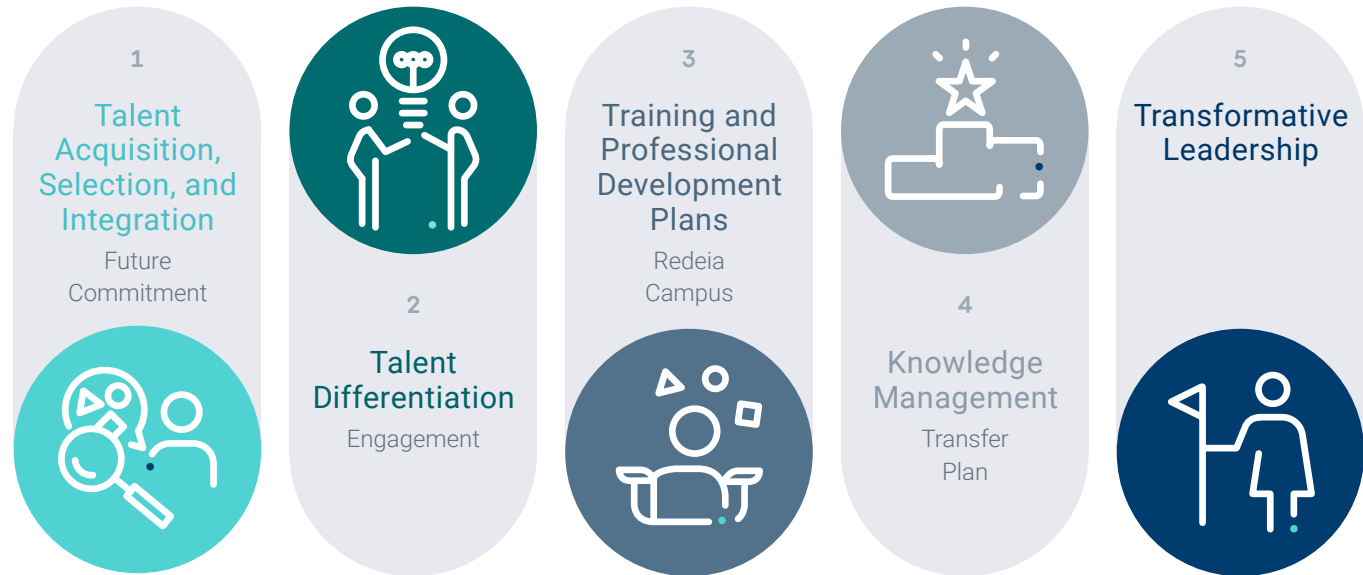
Talent Management Model

This includes new business analyst positions, management, and other IT roles within the business sector, evolving Redeia's knowledge and skills framework, pinpointing critical expertise, and devising programmes to ensure knowledge transfer to new recruits in internal mobility and during voluntary exits.

Learning

Redeia fosters organisational talent by empowering employees to sustain their employability in the dynamic current climate and by devising strategies essential for retaining pivotal talent.

The learning model empowers leaders to act as agents of change, supporting their team members and focusing on guiding them through their professional development journey.



Employees independently initiate their **Personal Learning Plans**, engaging in activities they believe will help them meet their challenges and enhance their contributions, as well as participating in those assigned based on their profile and the organisation's needs.

The educational offerings are curated by pinpointing initiatives that bolster the achievement of goals set out in the strategic plan, thereby facilitating the direct and/or indirect assessment of how acquired learning contributes to these goals via metrics.

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This programme is continually evolving to align with diverse learning styles, individual needs, and new methodologies introducing

improvements such as the availability of new online courses and prioritising the digitalisation of training resources. These improvements facilitate more targeted content delivery, reduce time commitments, and optimise costs, trends that are reviewed annually.

Highlighted Learning Initiatives for 2023

Key Training	Key issue
Languages	Programme enhancements for a more dynamic and enriching learning experience, thanks to the integration of technological advancements.
Occupational Health and Safety	Training aimed at supporting the objective of zero accidents by providing essential preventative instruction tailored to each employee's role.
Digital transformation	Tailored programmes for Business Analyst and IT roles within the business area.
Diversity	Targeted training for pivotal groups within the process, including the 'Inclusionate' Programme.
Development Programme	Acquisition and refinement of skills to foster self-improvement, accessible through Redeia's comprehensive training portfolio.
Leadership	Guidance and development for the executive team and the nurturing of future leadership profiles via specialised initiatives such as the 'Talentia' and 'Lidera' programmes



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Redeia's Virtual Campus is an open-learning environment, boasting a catalogue of over 800 resources where employees can pursue their learning plans using any digital device. This platform offers the flexibility of self-enrolment in open courses, representing more than 40% of the total offerings.



Redeia Campus Activities

Campus is Redeia's meeting point for attracting, surfacing, developing, and retaining talent to ensure the capabilities of current and future resources. It is the focal point from which the organisation's cultural transformation is orchestrated, fostering a flexible, agile, efficient, innovative, disruptive, and sustainable company.

In 2023, the **Campus space** was launched to share with all Redeia

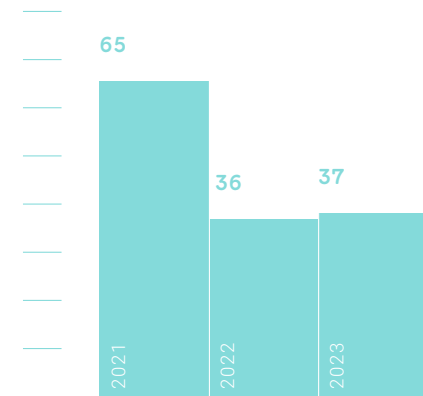
employees the ongoing activities: learning, development, scholarships, events, forums, and a new promotional campaign accompanied by the new corporate image.

The digital version through the **Virtual Campus** is an open learning environment with a catalogue of over 800 resources, enabling employees to carry out their learning plans on any digital device. This platform promotes self-directed learning through the possibility of self-

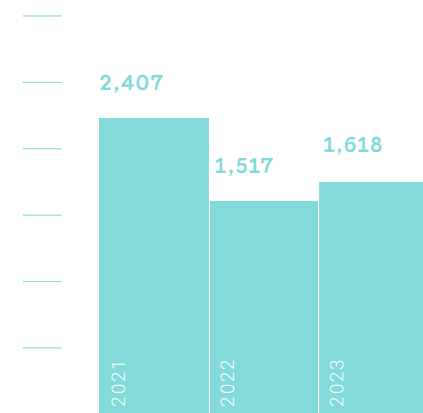
enrolment in open courses, 403 in 2023, accounting for more than 40% of the total offerings.

Notable in 2023 are initiatives such as the presentation by Victor Küppers, an expert in motivation, self-awareness, and leadership, who inaugurated the activities linked to the **Campus observatory**. This observatory researches, analyses, and proposes trends and best practices in our environment, focusing on four strategic

Hours of Training per Employee / 404-1



Investment in Training per Employee / %



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aspects: innovation and technology, neuroscience, self-leadership, and organisational trends.

Among the internal activities carried out on Campus, the following stand out: the development programme for new managers, the welcome and integration plan for new hires, actions aimed at achieving the 2023 leadership objectives, the training plan for business analysts, and the Talentia development programme.

Among the external dissemination initiatives, in 2023, Campus hosted the IESOE meeting, which aims to create unique links between Europe and North Africa to offer a significant regional communication platform, as well as the steering committee meeting of the Redeia-Elia alliance (Belgium's high-voltage transport operator) and various institutional visits highly interested in the work carried out by Campus.

Talent Differentiation Engagement and Recognition

The process of differentiating and segmenting individuals by their talent effectively separates the assessment of contribution from the process of evaluating and developing key skills.

In both processes, **feedback** is a crucial tool for employees to have multiple sources that help them understand the evolution of their contribution or skills.

The objectives of this process are to identify those who bring a differential value to the organisation and those with the capabilities to increase that value in the future, as well as to identify those who are not contributing adequately to the organisation, in order to make investment decisions in development that are differential and equitable, according to the talent of the individuals and the influence this investment can have on improving results.

Variables of the Talent Differentiation Model

Contribution. How the individual adds value through their work and the fulfilment of their responsibilities towards achieving the strategy and sustainability of the business.

Capabilities. The skills, knowledge, motivation, and values required to sustain and enhance contribution, distinguishing between those relevant to their current level and role and those pertinent to a higher level.



In 2023, in addition to economic recognition, other forms of emotional recognition were consolidated, such as additional days off or participation in events or working groups that give visibility to the employee within the organisation.

As a result of the talent differentiation process, Individual Development Plans (IDPs) are deployed for employees' personal development and improvement. During 2023, 94 people worked on defining their IDPs.

ESRS S1-4 p. 38 (a)



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Knowledge Management

Personalised investment in groups with specific needs and individuals opting for internal mobility, promotion, or leaving the organisation is linked to the Plans for transmitting and preserving critical knowledge.

In 2023, Redeia consolidated the **'Value of Your Experience' (EVE)** programme, aimed at enabling experts to disseminate and transmit their knowledge and experience, encourage debate and the exchange of ideas, and create a network of contacts that generates new shared knowledge before they leave the company due to generational turnover. 100% of the professionals in this situation have embraced this programme.

Cooperation with the Educational Sector

The commitment to the practical training of newly qualified individuals is realised through various scholarship programmes and/or educational cooperation agreements.



Their objectives are to support the entry of new qualified professionals into the labour market, maintain an internal talent pool, and strengthen Redeia's brand image as an employer.

During 2023, more than 60% of individuals from the internal talent pool were incorporated into the company, filling internal vacancies across the organisation.



100% of employees identified as experts have participated in the 'Value of Your Experience' (EVE) programme.



Notable Collaborations 2023

DescubRE Young Talent Programme	30 young people participated in the third edition of this programme, which in 2023 was aimed at attracting female talent in Spain, Chile, and Peru.
Opera Scholarship	11 young people participated in the 2023 edition of this programme, aimed at incorporating young university students into control centres in Spain, Chile, and Peru.
Cybersecurity Scholarship	Creation, with the Polytechnic University of Madrid, of a scholarship for the execution of a project in the area of telecommunications.
Dual Vocational Training	Incorporation of five young specialists in Demarcations who had participated in the training programme.
Ministry of Defence Collaboration	Internships for students pursuing a master's degree in Management and Direction of Information Systems and Communication Technologies (STIC) and Information Security, a degree from the University Centre of Defence affiliated with the University of Vigo, located at the Naval Military School.
EFE Agency Scholarship	One young person participated in the EFE Agency internship programme to train a journalism or communication graduate in the specialised energy branch.
Curricular and Extracurricular Internships	Collaboration with the Polytechnic University of Madrid, Complutense University of Madrid, Rey Juan Carlos University, European University, or Carlos III University of Madrid, in areas related to Telecommunications Engineering in its various fields.



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Leadership Model

ESRS S1-13 p. 81

Leadership at Redeia seeks to transform the organisation by relying on a set of values and attributes to achieve the desired culture that will realise its future and that of its people. Thanks to this leadership, the Company becomes an agile, flexible, innovative, disruptive, efficient, and sustainable organisation, achieving commitment to the culture and purpose of the organisation.

The **transformative leadership model** develops what is expected of a manager as a leader in terms of principles, values, and behaviours, so that their contribution is understood as the application of the attributes described there to mobilise their teams and achieve the Company's results.

360 Feedback, listening processes, differentiation tables, and leadership objectives are the sources used to assess the manager's alignment with the leadership model.

Leadership Model

Leading the organisation

Thinks in terms of global contribution, always attending to the general interests above the individual ones and organising internal resources in a generous and flexible manner to ensure the objectives.



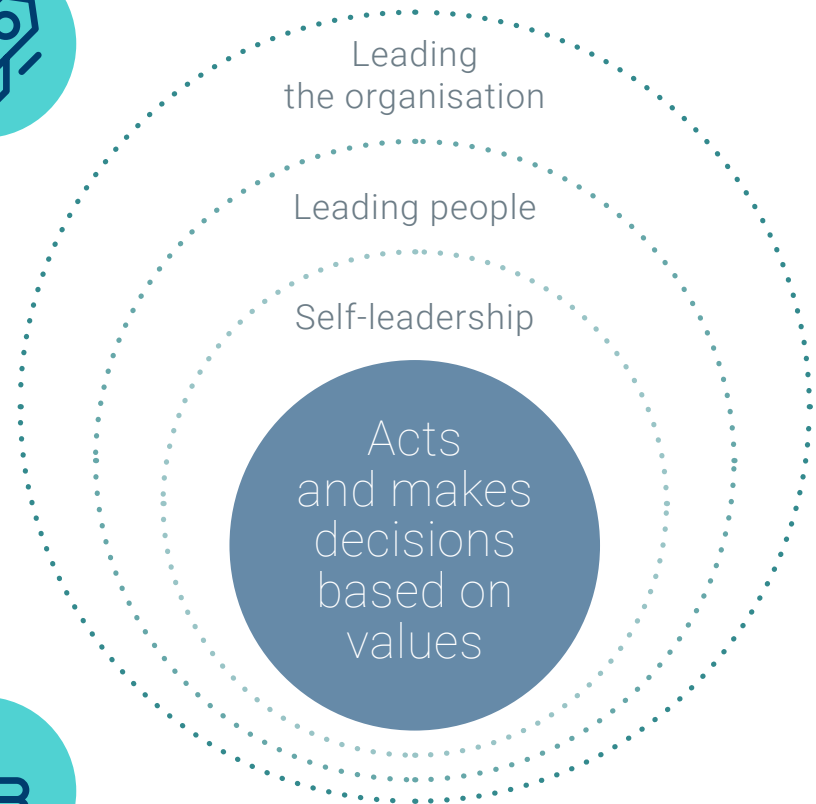
Leading others

Mobilises through positive influence, driving with enthusiasm and a purpose to contribute from their role to the growth and development of people, thereby increasing their commitment and contribution.



Self-leadership

Maintains a continuous and proactive commitment to self-development, seeking to improve and adapt their leadership skills to different circumstances. Pursues personal and professional growth as a starting point to add value to others.



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Additionally, Redeia has a range of resources to assist and support leaders, such as the Leader's Portal on *NuestraRED*, the

Communication Guide and Self-Development Guide, the Digital Content Library (micro-learning resource platform with over 27,000 contents) and masterclass itineraries with internationally renowned experts and access to content aimed at consolidating their development in leadership.

Improvement of the evolution of the 360 Feedback by 0.26 points in 2022 compared to previous evaluations.



Outstanding Transformative Leadership Actions 2023

Initiative	Objective	Participants and Group
Leading Programme	Review attitudes and leadership style to identify areas for improvement that need to be continuously worked on.	33 Department Heads.
Cross-mentoring Programme	Progress in their professional careers by accelerating their learning, facilitating the creation of connections based on trust and respect.	25 mentor-mentee pairs of directors and middle managers.
Senior Team Days	Communicate and disseminate strategic issues related to business development and foster collective cohesion.	161 members of the senior team.
Workshops: how to hold valuable conversations	Consolidate the importance of these conversations through messages consistent with our model of valuing contribution.	42 members of the senior team.
Digital Coaching	Contribute to improving leadership style by using AI to provide the most suitable coach.	11 members of the senior team.
Talentia	A new programme designed as a development tool and space for cohesion and the removal of functional barriers.	62 non-managerial employees with high potential to hold future executive or people management positions.



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Skills Model

ESRS S1-13 p. 81

The **Skills Model** unfolds the Leadership Model for technical staff and is structured around four axes (self-leadership, relationship management, resource management, and change management), each comprising three attributes.

Redeia's Skills Model allows for growth aligned with the Company's objectives through **development recommendations**, which include internal mobility applicable to 100% of the organisation (7.4% mobility in 2023) and is articulated through temporary placements in other Redeia companies and a catalogue

of resources. This includes training actions in various formats so that employees can work on the chosen skills independently or with support.

Additionally, the Company has developed internal workshops to identify personal development action plans for 163 employees, aiming to guide the identification of the axes or attributes of the skills model to focus on for development, as well as to select the best actions to achieve it.

Dialogue and Transparency

Social Dialogue

2-30 / 402-1 / ESRS S1-1 p. 20 (a) / ESRS S1-8 p. 58

Redeia guarantees the rights to unionisation, association, and collective bargaining, within the framework of the provisions of

Specific development programmes for groups 2023

Programme	Objective
Programme for managers	Provide tools and skills to help them manage teams of people. It is complemented by the Manager's Portal on the corporate intranet to consolidate their role. 255 participants.
Programme for specialists in Demarcations (Gem3)	Improve key skills and provide an environment for sharing experiences for this group. 23 participants.
Personal development actions	Develop communication skills, planning, and prioritisation of tasks in newly created positions that require specific training for their performance. 719 participants.

the International Labour Organization (ILO), the Spanish Constitution, current labour regulations, and the collective agreement applicable at any given time.

Axes of the Skills Model



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In 2023, the first Collective Agreement of Redeia Corporación, S.A. and the twelfth Collective Agreement of Red Eléctrica de España, S.A.U., were signed, following negotiations that began in 2022.



Consequently, Redeia's Code of Conduct and Ethics explicitly establishes respect for the rights to collective bargaining and union freedom, which is further reiterated and specified by the Commitment to the promotion and respect of Human Rights at Redeia. For their part, the collective agreements of Red Eléctrica de España, S.A.U., Redeia Corporación, S.A., and Redeia Infraestructuras de Telecomunicación S.A., the three companies of Redeia with their own

collective agreements, define the organisation of social dialogue, establishing the system of worker representation in the company through various committees and commissions, which address the different matters assigned to them.

Negotiations with the Legal Representation of Workers ("RLT") are an integral part of Redeia's Labour Relations, maintaining ongoing dialogue with them and their respective trade union

organisations with the aim of establishing rights and obligations between the parties, thereby ensuring respect for and recognition of the aforementioned rights.

As a result of collective bargaining, the majority of Redeia's workforce in Spain is covered by the scope of a collective agreement, with the exception of the Executive Team and those employees who voluntarily and reversibly, within the limits established in each company's collective agreements, accept the company management's proposal for exclusion. Internationally, due to the specific legislation of each country or its customs, the coverage by collective agreement is less extensive.

Specifically, in 2023, regarding collective bargaining, it is noteworthy that the first Collective Agreement of Redeia Corporación, S.A. and the twelfth Collective Agreement of Red Eléctrica de España, S.A.U., have been signed, registered, and published in the Official State Gazette (BOE), thus concluding the negotiation processes that began in 2022.



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Following the signing of these agreements, which were unanimously agreed upon by each negotiating committee, social dialogue has been maintained in both companies through the various commissions established by these agreements. These commissions are composed of both company and social representatives and address the working conditions of employees. Notably, in 2023, the Special Closed Shift Regime Commission of Red Eléctrica de España, S.A.U., as well as the Monitoring Commissions

for the Collective Remote Work Agreement of Red Eléctrica de España, S.A.U. and Redeia Corporación, S.A., stand out as they are newly created commissions. It should be mentioned that Redeia does not meet the requirements for the establishment of a European Company (SE) Works Council or a European Cooperative Society (SCE) Works Council.

ESRS S1-8 p. 63 (b)

Furthermore, in 2023, regular meetings of the monitoring commissions for the Equality Plans of Red Eléctrica de España, S.A.U., Redeia Corporación, S.A., and Redeia Infraestructuras de Telecomunicación, S.A. have been maintained.



The legal representation of Redeia's workers is composed of 101 individuals, 16 women and 85 men.

Commissions of Red Eléctrica de España, S.A.U.

- Occupational Health and Safety Committee.
- Social Affairs Commission
- Professional Classification Commission
- Training Commission
- Inter-Centre Committee
- Joint Commission for the monitoring and interpretation of the Collective Agreement
- Monitoring Commission for the Equality Plan
- Flexibility Regime Commission
- Special Closed Shift Regime Commission
- Geographical Mobility Commission
- Monitoring Commission for the Collective Remote Work Agreement

Commissions of Redeia Corporación, S.A.

- Occupational Health and Safety Committee.
- Social Affairs Commission
- Professional Classification Commission
- Training Commission
- Joint Commission for the monitoring and interpretation of the Collective Agreement
- Monitoring Commission for the Equality Plan
- Joint Commission for the monitoring and interpretation of the Collective Agreement
- Monitoring Commission for the Collective Remote Work Agreement

Commissions of Redeia Infraestructuras de Telecomunicación, S.A.

- Occupational Health and Safety Committee.
- Monitoring Commission for the Equality Plan
- Joint Commission for the monitoring and interpretation of the Collective Agreement

In 2023, there have been no collective disputes or strikes at any Redeia company, nor have there been any collective labour measures (geographical mobility, substantial changes to working conditions, temporary layoffs or collective dismissals) or corporate restructurings that have impacted the working conditions of employees.

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Social Climate

In 2023, a pulse survey system began to be developed, which allows for a swift collection of employee opinions on specific company issues. Pulse surveys were conducted on the hybrid work model, compensation processes, and the overall climate. The latter was launched at the end of the year to gather information on the level of satisfaction with the improvements made within the Company, how these have influenced staff commitment, and the degree of wellbeing generated by these measures. The 2023 Climate Pulse achieved an overall satisfaction rate of 86% with a participation rate of 82% of the workforce, and the action plans will be announced in 2024.

Internal Communication

Among the various internal channels, **NuestraRED**, the collaborative intranet, stands out in particular. In addition to featuring the most relevant company news, it offers users shortcuts to applications,

spaces, and tools designed to drive innovation and agility within the organisation, thus becoming a useful, simple, and accessible tool that supports all employees on the path of cultural transformation.

It is worth noting that in 2023, the occupational risk prevention campaign "*Así de Fácil. Gestos que marcan la diferencia*" (It's That Easy. Gestures that Make a Difference) won the award for best practices in Internal Communication, granted by the Internal Communication and Corporate Identity Observatory created by ATREVIA, IE Business School, and Capital Humano Magazine.



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Key Indicators in 2023

Own Personnel Severity Index 0.02.

Contractor Severity Index 0.50.

9.4

Milestones 2023

Definition of an innovative model and own wellbeing strategy.

Challenges for 2024

Deploy the wellbeing model.

Optimise and digitise the preventive planning process.

Enhance collaboration on preventive matters with key stakeholders.

9.4 Healthy Organisation / 403-1 / 403-8

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The Healthy Company Model, established at Redeia since 2015, charts a course towards excellence in managing health, safety, and well-being at work through continuous improvement, outlining the guidelines and principles to be followed. / **ESRS S1-1 p. 23**

In 2022, this model evolved to become the **Healthy Organisation Management System**, which aims not only to prevent injuries and health deterioration but also extends to personal and family lifestyles, embedding the appropriate culture to become a healthy organisation, thereby also improving the communities where Redeia has a presence. It should be noted that the Healthy Organisation Management System covers 100% of Redeia's workforce. / **ESRS S1-14 p. 86 / ESRS S1-1 p. 23"**

During 2023, the definition of an innovative model and own strategy for wellbeing stands out, which shows the Company's firm

Healthy Workplace Pillars of the System

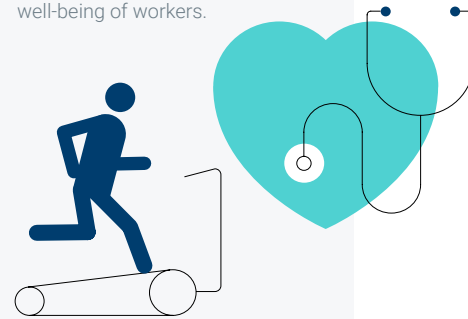


commitment in this field, making Redeia a pioneering company.

This model views employees' wellbeing from a holistic and comprehensive perspective, establishing five fundamental pillars (physical, emotional, professional,

Lifestyle

Implement tools and resources regarding the management and organisation of work that promote the physical and psychosocial well-being of workers.



Commitment to the Community

Develop actions within the Company that impact the health and wellbeing of employees' families and the communities where it operates.

Culture Focused on the Organisation's Wellbeing

Provide staff with tools to improve physical and mental health, contributing to their wellbeing and quality of life.



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social, and financial), which encompass the various initiatives the Company offers to ensure their wellbeing. Moreover, the model sets up measurement systems that, on one hand, assess the proposed value proposition or range of initiatives offered to individuals and their personal self-perception of wellbeing, and on the other hand, subsequently gauge the level of satisfaction of employees with the Company's proposal.

Consultation and Participation

403-2 / 403-3 / 403-4

Redeia Corporación, S.A., Red Eléctrica de España, S.A.U, Redeia Infraestructuras de Telecomunicación, S.A., and Hispasat, S.A., each have an Occupational Health and Safety Committee in accordance with current legislation in this area, being joint and collegiate bodies for participation aimed at the regular and periodic consultation of the Company's actions in the field of occupational risk prevention.

The Committee of Redeia Corporación S.A. is made up of



three representatives proposed by the Company and three prevention delegates; the committee of Red Eléctrica de España, S.A.U, is made up of six representatives proposed by the Company and six prevention delegates (a number that exceeds the representation required by legislation); that of Redeia Infraestructuras de Telecomunicación, S.A., by two representatives proposed by the Company and two elected prevention delegates; as well as that of Hispasat, S.A., with all members being elected from among the employee representatives who account for 100% of the workforce in each of these companies. Additionally, Redeia's joint prevention service technicians participate in these committee meetings.

The committee meets every quarter (in accordance with Occupational Risk Prevention Law 31/1995), although it may also meet at the request of any of the parties. These meetings monitor all preventive and

health activity, new applicable legal regulations, reviews of processes and internal regulations, as well as the analysis and follow-up of safety and health results and programmes, and the monitoring of safety equipment and materials. The minutes of these meetings are available to all employees in a specific section on the corporate intranets. It also receives the results of the internal and external audits that are carried out and any improvement actions that are implemented. / **ESRS S1-2 p. 25**

Furthermore, to reinforce employee participation, there are internal communication channels for consultation on this matter, through which suggestions, queries, and proposals for improvement related to safety are conveyed.



Meetings of the Constituted Labour Safety and Health Committees / n°

	2022	2023
Red Eléctrica de España, S.A.U	5	4
Redeia Corporación, S.A.	4	4
Redeia Infraestructuras de Telecomunicación, S.A.	5	4
Hispasat, S.A.	4	4

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Workplace Environment: Safety of People in the Organisation

403-2 / 403-3 / 403-7
/ ESRS S1-3 p. 32 (a) / ESRS S1-4 p. 35
/ ESRS S1-4 p. 37

Redeia has a strategy and a specific action plan in place to ensure the safety and health of employees and collaborators, the 2020 - 2023 Occupational Safety Action Plan, which promotes best practices in occupational risk during the execution of activities and work on its premises. Its goal is to go beyond legal compliance by training, informing, and raising awareness of obligations and responsibilities and by committing all personnel, collaborators, and suppliers.

Continuous monitoring of the most high-risk tasks and activities with safety inspection programmes, as well as the improvement of supplier qualification requirements are key to achieving the high levels of safety required.



In 2023, 13,982 safety inspections were carried out on work and facilities with the objective of anticipating and detecting possible risk situations that could prevent the occurrence of accidents. As a result of all the activities performed to control and monitor work, over 1,100 corrective actions were required, with over 86.7% resolved and the rest in the closure process.

The learning obtained in resolving these corrective actions collaboratively allows all members of the value chain to improve their safety and health processes, consolidating the preventive culture with new shared knowledge.

In 2023, as part of the goal to improve the integration of prevention into Redeia's processes and culture with the aspiration of achieving "zero accidents", major actions have been taken relating to the development of the **2024-2025 Occupational Health and Safety Plan**, the improvement of communication and awareness of people, and the incorporation



In 2023, 13,982 safety inspections were carried out on work and facilities with the objective of anticipating and detecting possible risk situations that could prevent the occurrence of accidents.



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Outstanding Actions in People's Safety 2023

of new technologies and digital transformation.

As a result, there has been a reduction in the overall accident rate indicators, which include both own personnel (severity index: 0.02) and contractors (severity index: 0.50).

Development of the new 2024-2025 Occupational Health and Safety Plan

- Development of the new 2024-2025 Occupational Health and Safety Plan, with four main axes: culture and leadership, innovation and digitalisation, wellbeing, and stakeholder collaboration. For the creation of this new plan, a listening process was deployed for the first time, in which more than 750 Redeia suppliers participated.
- First evaluation of the preventive culture according to the international NOSACQ-50 model, confirming the high standard of safety implementation (proactive-generative level) and the high commitment and involvement at all levels of the organisation.

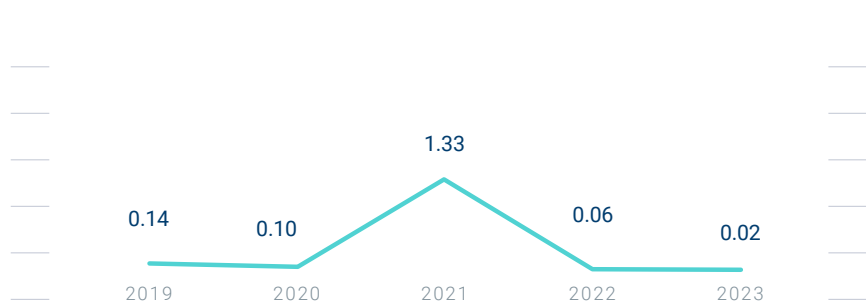
Improvement of communication and awareness of people

- Training, awareness, consultation, and participation (Health and Safety Committee, internal audits, and working groups), improving behaviours and safety measures during the performance of work by both own and external personnel and developing actions aimed at reducing accidents in the execution phases of the work.
- Communication actions under the slogan "It's in your hands", including the organisation of the 3rd Prevention Week at Redeia with the participation of more than 550 people.
- Publication of content.
- Actions with suppliers to monitor accidents and share lessons learned.

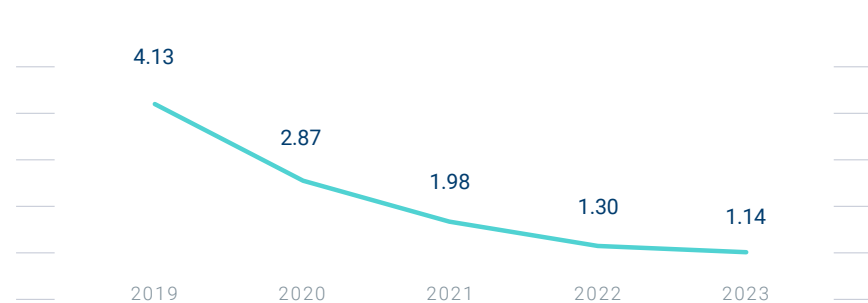
New technologies and digital transformation

- Implementation of the EMOCIÓN project, which integrates emotional management into our risk prevention strategy.
- Implementation of the new "Protected Zones" platform that guarantees operational integrity and safety for all involved, providing unprecedented traceability.

Accident Severity Index



Accident Frequency Rate



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Supply Chain Safety

EU18

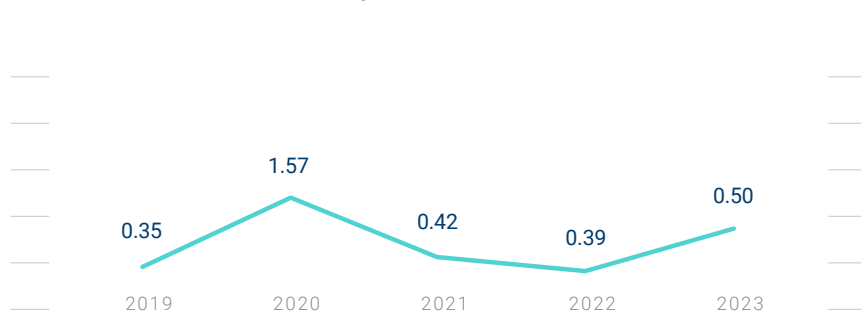
Redeia champions the development and excellence in safety performance of its suppliers by implementing measures aimed at fostering a culture of prevention throughout the supply chain.

All suppliers working on the premises and work centres of Red Eléctrica are qualified and certified in occupational safety. In the case of carrying out risk activities, such activities are led by the supplier's work managers whom Red Eléctrica's Prevention Service has previously authorised.

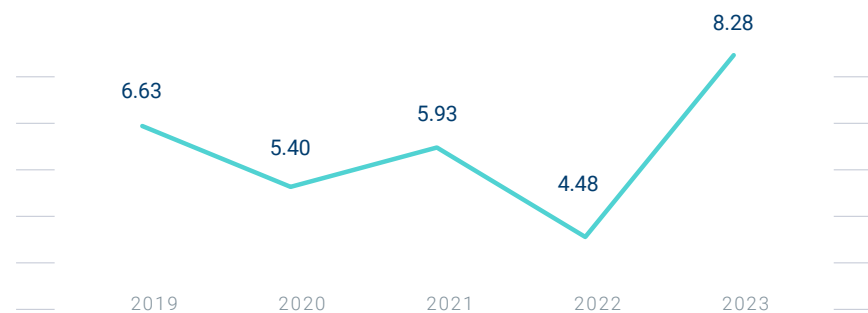
In a line of continuous collaboration with suppliers, there are 3,114 accredited work managers in higher-risk activities, a group that plays a fundamental role in complying with safety measures during the execution of work. Authorisation involves a review and verification of training, skills, and experience.

Additionally, the company randomly requests evidence of health and safety training from its suppliers and incorporates the employees into the supplier's database in the corporate occupational safety applications (PRER).

Contractor Accident Severity Index / EU17



Contractor Accident Frequency Rate / EU17



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Health campaigns are based on the analysis of health indicators assessed annually and absenteeism data due to illness, with the primary goal of incorporating healthy lifestyle habits to improve health and quality of life.



Monitoring and promotion of health and wellbeing 403-6

Redeia continuously carries out preventive health monitoring of its employees.

Health campaigns are based on analysing of various health indicators assessed annually and on previously identified needs, with the primary goal of incorporating healthy lifestyle habits.

In 2023, the continuity of health and wellbeing activities and initiatives was maintained, aiming at promoting health from a comprehensive perspective of individuals (physical, emotional, and social wellbeing). The campaign to promote physical activity and reduce sedentary lifestyles, with the participation of over 400 employees from Spain in various sports activities co-funded by the Company (such as the Business Race), or awareness workshops on the importance of physical exercise, are just some examples. Alongside other initiatives like nutrition consultation, physical condition

Main Activities Prevention, Health Promotion, and Wellbeing Improvement / ESRS S1-4 p. 38 (a)

- Medical check-ups, medical and nursing consultations.
- Healthy nutrition consultations.
- Physical condition assessment.
- Promotion of physical activity.
- Prostate cancer prevention.
- Physiotherapy consultation service.
- Flu vaccination.
- EMOCIÓN project in emotional management training.

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Redeia's work-life balance management model is among the fundamental pillars of the Healthy Organisation Model and the Diversity Model, including over 70 conciliation measures with associated actions.



assessment, or physiotherapy, these examples highlight the broad perspective employed in this field.

All health campaigns are based on the analysis of various health indicators assessed annually, absenteeism data due to illness, and other previously identified needs, with the primary goal of incorporating healthy lifestyle habits to improve health and quality of life.



Throughout 2023, work was ongoing on the rollout of the "Emoción" project, launched in 2022, which aims to incorporate emotional management into occupational risk prevention in higher-risk activities. This project is deployed in three areas:

- Inclusion of emotional perception in safety talks before starting work.
- Training leaders in emotional management.
- Application in occupational risk prevention and analysis of the emotional profiles of higher-risk groups with the goal of identifying

areas for improvement related to skills for better coping with higher-risk activities.

Work-Life Balance 401-2 / ESRS S1-15 p. 91

Remaining true to its commitment to ensuring a balance between personal and professional life, Redeia continues to champion a work-life balance management model based on continuous improvement.

The year 2023 was marked by the achievement of the identified objectives for the year, with an 80% fulfilment rate, highlighting the role of the work-life balance liaison, who has provided individualised responses to over 83% of the personal situations presented.

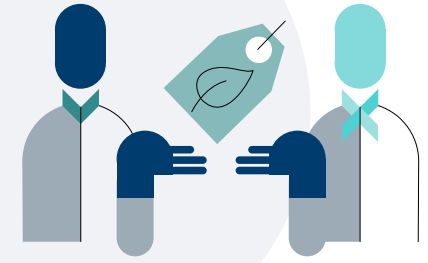
Redeia's work-life balance model is one of the fundamental pillars of the Healthy Workplace model and the Diversity Model and includes over 70 work-life balance measures with associated actions.

The vast majority of the measures included in the scope of the work-life

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MANAGEMENT MODEL OF WORK-LIFE BALANCE

Over 70 measures



for work-life balance with associated actions.



balance management model are applicable to all companies, divided into the following blocks:

- Leadership and management styles.
- Quality of employment.

- Flexibility of time and location.
- Family support.
- Personal and professional development
- Equal opportunities.



Redeia shares its expertise as a specialist in the Observatory for the Development of Work-Life Balance and Co-responsibility, led by the Pontifical University of Comillas (ICADE-ICAI). The aim of this Observatory is to work through applied, interdisciplinary, and high-quality research to provide companies and institutions with relevant information and data benchmarked against international standards that help other organisations to guide their active work-life balance policies based on specific sectoral studies.

In the second half of 2023, a breastfeeding room was set up at Redeia's headquarters, designed according to the recommendations of women experts in the field, with the



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goal of creating a welcoming, safe, and hygienic space that ensures the comfort and privacy of its users.

Finally, it is worth noting that, in 2023, 73% of men took advantage of the paid leave of up to 16 weeks for child care.

Digital Disconnection

**ESRS S1 SBM-3 p. 14 (c) /
ESRS S1-4 p. 35 / ESRS S1-4 p. 37**

As a clear commitment to promoting digital disconnection, the **Digital Disconnection Protocol** came into effect in 2021, defining the modalities for exercising this right, as well as the training and awareness actions to be carried out regarding the reasonable use of technological tools. This Protocol, along with the flexible working hours enjoyed by the workers, enables employees to enjoy a satisfactory balance between their personal and professional lives.

To ensure its proper implementation, a communication plan is developed aimed at raising awareness of the importance of digital disconnection, and measures are deployed to improve health and quality, with advice to employees on how to effectively apply digital disconnection.

70% of the staff has an established real and effective annual working time of between 1,686 and 1,690 hours, which is distributed taking into account the circumstances of each workplace, with a base schedule of 7 hours per day for all working days of the year and with broad flexibility in the start (from 07:30 hours) and finish times (from 14:00 hours).

Additionally, during 2023, the Company implemented a voluntary hybrid work model, which 96% of the eligible workforce (75% of the total staff) has joined, with the possibility of working remotely for around 47% of the annual working days, and the option to choose to do so from up to two different locations (usually the primary and secondary residence).



The Digital Disconnection Protocol and flexible working hours allow for a balance between an employee's personal and professional life.



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Similarly, individuals have the option to request a reduction in their annual working hours, with improved percentages compared to current legislation, in cases of birth, adoption, foster care for adoption purposes, or fostering until the infant reaches nine months, or for the direct care of a child under thirteen, a person with a disability who does not perform a paid activity, or due to the individual's own illness. Moreover, in exceptional personal and health situations, outside of this general framework, through the work-life balance liaison, work schedule adaptations



In 2023, Redeia carried out more than 214 sessions with a total of 15,810 hours of training in occupational risk prevention.



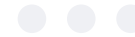
are approved and defined according to the needs of each employee in this situation.

Training and Awareness in Health and Occupational Risk Prevention

403-5

Redeia considers training and awareness essential to reduce accidents and preserve the health and safety of its entire team. During 2023, Redeia conducted over 214 sessions, totalling 15,810 hours of training in this area. This training is offered through a catalogue of 114

courses, some of which are enabling for the performance of particularly hazardous work, with the rest focused on other aspects related to preventing occupational risks.



Highlighted Training and Awareness Activities in Occupational Risks 2023

ESRS S1-4 p. 38 (a)

Training in Occupational Risk Prevention

- Courses established in the Training and Education Model for occupational safety and health.
- Training on stress management, road safety, protected areas, and forest fires.
- Training in effective communication and conflict management.
- Training in emotion control, emotion management, and orientation towards wellbeing.

Nutrition Campaign

- Online workshop on various aspects of healthy eating.

EMOTION Project

- A training programme aimed at emotional management through awareness in: Emotional self-leadership, conflict and communication management, healthy resolution, and self-awareness.

Health Campaigns at Redinter (Chile and Peru)

- Immunisation campaigns and quality-of-life initiatives through the services of a nutritionist.
- Reactiva Programme to promote healthy lifestyle habits through recreational and sports activities.
- Institutional agreements with gyms and human development institutions for collaborators and their families.

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• Main Indicators

- Information on employees and other workers
- Workforce distribution by gender, age, and professional category
- Workforce distribution by generation and gender
- Workforce distribution by type of business and gender
- Workforce distribution by nationality and gender
- Average length of service by region, type of business, and gender
- Total number of employees broken down by age group, gender
- New hires by age range, gender
- Employee turnover by age range, gender
- Number of employees eligible for retirement in the next five or ten years
- Gender pay ratio
- Maternity/Paternity (M/P) indices
- Training hours by professional category and gender
- Average hours of training by nationality and gender
- Average hours of training by type of business and gender
- Average hours of training by generation and gender
- Employees whose performance and professional development are regularly assessed
- Employees covered by collective bargaining agreements by country
- Occupational health and safety indicators
- Occupational health and safety indicators for contractors
- Workforce distribution by gender
- Workforce distribution by country
- Workforce distribution by type of contract, broken down by gender
- Workforce distribution by type of contract, broken down by country
- Coverage of collective bargaining and social dialogue
- Employees covered by worker representatives

Human Capital Indicators

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Main Indicators / 2-7 / ESRS S1-12 p. 77 / ESRS S1-12 p. 79

	2021	2022	2023
Women (%)	26.7	27.9	28.9
Men (%)	73.3	72.1	71.1
Women in management positions (%)	34.1	35.3	36.2
People with some type of disability (%)	0.9	0.9	1.0
Creation of net employment (No. of job positions)	66	70	57
Average age	45.9	45.3	45.0
Average length of service (years)	15.8	14.5	14.3
Total turnover (%) (1)	4.9	6.0	6.6
Permanent contracts (%)	98.6	99.2	98.7

Scope of data for 2021 and 2022 Redeia.

(1) Total turnover: Total departures / Active workforce Data reported in terms of headcount and at the end of the financial year. / ESRS S1-6 p. 50 (d) i. / ESRS S1-6 p. 50 (d) ii

Information on employees and other workers / 2-7 / 2-8 / ESRS S1-6 p. 50 (b) iii / ESRS S1-6 p. 50 (b) i. / ESRS S1-6 p. 50 (b) ii.

	2021			2022			2023		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Permanent employees (no.)	1,532	555	2,087	1,734	667	2,401	1,744	701	2,444
Temporary employees (no.)	20	10	30	12	7	19	18	14	32
Permanent hiring (%)	98.7	98.2	98.6	99.3	99.0	99.2	99.0	98.0	98.7
Part-time contracts (no.)	0	0	0	0	0	0	0	0	0
Non-employee workers (no.) (1)	3	3	6	11	2	13	7	3	10
Interns (no.) (1)	7	4	11	22	19	41	11	40	51

(1) These workers, entirely sourced from Temporary Employment Agencies, are hired exclusively to ensure coverage for temporary assignments to projects, maternity/paternity leave, and long-term temporary incapacity situations. These figures are reported in terms of headcount and at the end of the financial year. Moreover, these workers are not included in the workforce count as they are not employees of Redeia. Only the figures for the companies are considered for the calculation. / ESRS S1-7 p. 53 / ESRS S1-7 p. 55 (b) i. / ESRS S1-7 p. 55 (b) ii / ESRS S1-7 p. 55 (c)

Workforce distribution of the by gender, age, and professional category / % / 405-1 / ESRS S1-9 p. 66 (a) / ESRS S1-9 p. 64 / ESRS S1-9 p. 66 (b)

	2021						2022						2023					
	Under 30 years		30 to 50 years		Over 50 years		Under 30 years		30 to 50 years		Over 50 years		Under 30 years		30 to 50 years		Over 50 years	
	M	W	M	W	M	W	M	W	M	W	M	W	M	W	M	W	M	W
Management Team (%)	0.0	0.0	58.8	41.2	73.4	26.6	0.0	0.0	56.1	43.9	74.4	25.6	0.0	0.0	55.2	44.8	73.7	26.3
Technicians (%)	55.6	44.4	76.5	23.5	84.1	15.9	60.7	39.3	76.6	23.4	82.1	17.9	61.7	38.3	75.1	24.9	81.0	19.0
Administrative personnel (%)	70.0	30.0	20.5	79.5	27.5	72.5	34.5	65.5	37.7	62.3	30.9	69.1	35.7	64.3	31.3	68.7	30.5	69.5
Total (%)	57.0	43.0	73.6	26.4	75.2	24.8	55.5	44.5	72.6	27.4	74.5	25.5	57.7	42.3	71.4	28.6	74.2	25.8

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Workforce distribution by generation and gender / % / 405-1

	2021		2022		2023	
	Men	Women	Men	Women	Men	Women
Traditionalists	90.7	9.3	60.0	40.0	100.0	00.0
Baby Boomers	96.5	3.5	75.7	24.3	75.0	25.0
Generation X	74.8	25.2	73.6	26.4	73.1	26.9
Generation Y	55.6	44.4	71.3	28.7	69.9	30.1
Generation Z	79.3	20.7	57.1	42.9	59.2	40.8
Total	64.3	35.7	72.1	27.9	71.1	28.9

Workforce distribution by type of business and gender / % / 405-1

	2021		2022		2023	
	Men	Women	Men	Women	Men	Women
Corporate Services	47.6	52.4	46.4	53.6	46.3	53.7
Electrical items	81.6	18.4	81.4	18.6	80.4	19.6
International	75.2	24.8	72.9	27.1	74.6	25.4
Technological	77.8	22.2	70.6	29.4	69.6	30.4
Telecommunications	70.5	29.5	68.7	31.3	67.8	32.2
Total	73.3	26.7	72.1	27.9	71.1	28.9

Workforce distribution by nationality and gender / % / 405-1

	2022		2023	
	Men	Women	Men	Women
Spanish	73.3	26.7	72.0	28.0
Colombian	65.3	34.7	61.7	38.3
Peruvian	71.8	28.2	72.3	27.7
Brazilian	61.8	38.2	61.8	38.2
Other	67.7	32.3	71.1	28.9
Total	72.1	27.9	71.1	28.9

Note. The company does not have this information for years prior to 2021.

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Average length of service by region, type of business, and gender / Years / EU15

	2021						2022						2023					
	Europe		America		Africa		Europe		America		Africa		Europe		America		Africa	
	M	W	M	W	M	W	M	W	M	W	M	W	M	W	M	W	M	W
Corporate Services	18.2	17.7	NA	NA	NA	NA	16.7	16.1	NA	NA	NA	NA	16.2	15.3	NA	NA	NA	NA
Electrical items	18.7	17.0	NA	NA	NA	NA	17.7	16.2	NA	NA	NA	NA	17.9	15.9	NA	NA	NA	NA
International	NA	NA	7.0	6.0	NA	NA	11.5	NA	6.4	4.9	NA	NA	NA	NA	6.5	4.4	NA	NA
Technological	9.9	6.0	NA	NA	NA	NA	10.8	8.8	NA	NA	NA	NA	11.3	8.1	NA	NA	NA	NA
Telecommunications	15.8	15.4	6.7	5.9	NA	NA	12.9	10.7	4.8	4.9	4.0	NA	11.9	10.0	4.8	4.5	NA	NA
Total (%)	18.2	17.0	6.9	5.9	NA	NA	16.9	15.2	5.3	4.9	4.0	NA	16.8	14.6	5.3	4.5	NA	NA

NA: Not Applicable. There is no workforce associated with that business type and region.

Total number of employees broken down by age group, gender / 405-1 / ESRS S1-9 p. 66 (b)

	2021			2022			2023		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Under 30 years old	57	43	100	81	65	146	105	77	182
30 to 50 years	989	355	1,344	1,113	420	1,533	1,149	461	1,610
Over 50 years old	506	167	673	552	189	741	508	177	685
Total	1,552	565	2,117	1,746	674	2,420	1,762	715	2,477

New hires by age group, gender / 401-1

	2021									2022									2023								
	Number of hires			Hire rate			Number of hires			Hire rate			Number of hires			Hire rate			Number of hires			Hire rate					
	M	W	T	M	W	T	M	W	T	M	W	T	M	W	T	M	W	T	M	W	T	M	W	T			
Under 30 years old	11	1	22	19.3%	25.6%	22.0%	34	18	52	42.0%	27.7%	35.6%	46	32	78	43.8	41.6	42.9									
30 to 50 years	48	18	64	4.7%	5.1%	4.8%	102	55	157	9.2%	13.1%	10.2%	76	44	120	6.6	9.5	7.5									
Over 50 years old	4	5	9	0.8%	3.0%	1.3%	13	6	19	2.4%	3.2%	2.6%	5	7	12	1.0	4.0	1.8									
Total recruitment	61	34	95	3.9%	6.0%	4.5%	149	79	228	8.5%	11.7%	9.4%	127	83	210	7.2	11.6	8.5									

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Employee turnover by age group, gender / 401-1 / ESRS S1-6 p. 50 (c)

	2021				2022				2023			
	Number of departures		Turnover rate (%)		Number of departures		Turnover rate (%)		Number of departures		Turnover rate (%)	
	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women
Under 30 years old	4	8	7.0	18.6	14	5	17.3	7.7	16	10	15.2	13.0
30 to 50 years	25	18	2.4	5.4	45	30	4.0	7.1	53	29	4.6	6.3
Over 50 years old	41	6	8.1	3.6	38	13	6.9	6.9	42	13	8.3	7.3
Total turnover (1)	70	32	4.4	5.8	97	48	5.6	7.2	111	52	6.3	7.3

(1) Total turnover: Total departures / Active workforce

Number of employees eligible for retirement in the next five or ten years / 405-1

	In the next 5 years (2024-2028)	In the next 10 years (2029-2033)
Management Team	15	36
Technicians	172	194
Administrative personnel	31	32
Total	218	262

Note: considering only the retirement age as a requirement and estimating it at 65 years of age.

Gender pay ratio⁽¹⁾ / 405-2

	2021				2022				2023			
	Average salary total women	Average salary total men	Ratio of remuneration between men and women	Pay gap	Average salary total women	Average salary total men	Ratio of remuneration between men and women	Pay gap	Average salary total women	Average salary total men	Ratio of remuneration between men and women	Pay gap
Management Team	143,838.61	155,576.41	92.46 %	7.54 %	145,106.99	162,363.59	89.37 %	10.63 %	140,203.48	169,443.03	88.06 %	11.94 %
Technicians	53,349.42	57,715.83	92.43 %	7.57 %	52,679.98	55,695.48	94.59 %	5.41 %	58,111.31	63,833.66	91.04 %	8.96 %
Administrative personnel	40,516.88	38,397.90	105.52 %	-5.52 %	31,527.31	31,174.69	101.13 %	-1.13 %	34,000.71	36,827.84	92.32 %	7.68 %
Total (2)	59,807.43	63,972.84	93.49 %	6.51 %	56,829.38	61,842.01	91.89 %	8.11 %	60,809.66	69,067.92	88.04 %	11.96 %

(1) Averages include fixed salary + personal allowance. Excludes Chairman and CEO.

(2) Average total salary: in 2020, the calculation of average salaries includes overtime, per diems, and expatriation allowances.

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Maternity/Paternity Leave Rates (M/P) / 401-3 / ESRS S1-15 p. 93 (a) / ESRS S1-15 p. 93 (b)

	2021		2022		2023	
	Men	Women	Men	Women	Men	Women
Employees with the right to M/P leave (%)	-	-	-	-	3,9	3,6
Employees with the right to M/P leave (no.)	138	19	76	27	68	26
Employees who have taken M/P leave (%)	-	-	-	-	3,9	3,6
Employees who have taken M/P leave (no.)	138	19	76	27	68	26
Reinstatements at the end of M/P leave (no.) (1)	131	12	74	21	67	23
Employees with M/P leave who remain in the workforce (%) (2)	96	79	97	97	99	89

(1) The difference between the number of women and men reinstated after taking M/P leave is due to individuals who left the company at the end of the year.

(2) Employees who return to work after M/P leave and who remained in their job for twelve months following their reinstatement. Data as of year-end.

Average training hours by professional category and gender / 404-1 / ESRS S1-13 p. 83 (b)

	2021			2022			2023		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Management Team	74	87	78	96	109	100	63	68	65
Technicians	71	51	66	32	33	32	37	35	36
Administrative personnel	43	26	31	27	20	22	30	19	23
Total	70	50	65	36	37	36	38	35	37

Average training hours by nationality and gender / 404-1 / ESRS S1-13 p. 83 (b)

	2022			2023		
	Men	Women	Total	Men	Women	Total
Spanish	35	41	37	38	35	37
Colombian	21	12	18	22	16	20
Peruvian	63	46	58	61	57	60
Brazilian	67	49	60	67	59	64
Other	33	22	29	22	22	22
Total	36	37	36	38	35	37

Note: The company does not have this information for years prior to 2022.

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Average training hours by type of business and gender / 404-1 / ESRS S1-13 p. 83 (b)

	2022			2023		
	Men	Women	Total	Men	Women	Total
Corporate Services	47	38	42	33	31	32
Electrical items	34	40	35	40	40	40
International	61	54	59	78	64	74
Technological	51	105	67	47	64	52
Telecommunications	31	28	30	28	25	27
Total	36	37	36	38	35	37

Note: The company does not have this information for years prior to 2022.

Average training hours by generation and gender / 404-1 / ESRS S1-13 p. 83 (b)

	2022			2023		
	Men	Women	Total	Men	Women	Total
Baby Boomers	30	31	30	26	14	23
Generation X	36	40	37	37	33	36
Generation Y	39	39	39	44	36	41
Generation Z	49	37	44	58	60	59
Traditionalists	2	0	1	9	0	9
Total	36	37	36	38	35	37

Note: The company does not have this information for years prior to 2022.

Employees whose performance and professional development are regularly reviewed / % / 404-3 / ESRS S1-13 p. 83 (a)

	2021		2022		2023	
	Men	Women	Men	Women	Men	Women
Employees with performance evaluation (%)	97	97	95	93	97	96

Employees covered by collective bargaining agreements by country / % / 2-30 / ESRS S1-8 p. 60 (a)

	2021	2022	2023
Employees in Spain	90	86	87
Employees in Brazil	94	91	95

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Occupational health and safety indicators / 403-2 / ESRS S1-14 p. 88 (a) / ESRS S1-14 p. 88 (b) / ESRS S1-14 p. 88 (c) / ESRS S1-14 p. 88 (e)

	2021			2022			2023		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Average workforce	1,522	553	2,075	1,622	628	2,250	1,747	700	2,447
Hours worked (thousands)	2,593	944	3,537	2,765	1,070	3,835	3,018	1,366	4,384
Number of recorded accidents	-	-	-	-	-	-	19	0	19
Employees	-	-	-	-	-	-	19	0	19
Non-employee workers	-	-	-	-	-	-	0	0	0
Recorded accident rate	-	-	-	-	-	-	100	0	100
Employees	-	-	-	-	-	-	100	0	100
Non-employee workers	-	-	-	-	-	-	0	0	0
Number of fatal work accidents/illnesses	0	0	0	0	0	0	0	0	0
Employees	0	0	0	0	0	0	0	0	0
Non-employee workers	-	-	-	-	-	-	0	0	0
Other workers on Redeia's premises (e.g., from the value chain)	-	-	-	-	-	-	0	0	0
Accidents with leave	7	0	7	3	2	5	5	0	5
Days lost due to accidents (1)	4,699	0	4,699	143	75	218	66	0	66
Accident frequency index	2.70	0.00	1.98	1.08	1.87	1.30	1.66	0.00	1.14
Accident severity index	1.81	0.00	1.33	0.05	0.07	0.06	0.02	0.00	0.02
Common illness absenteeism rate (a)	2.35	2.95	2.52	2.32	3.14	2.54	1.77	2.16	1.88
Occupational health and safety absenteeism rate (b)	2.37	2.97	2.58	2.37	3.18	2.59	1.82	2.25	1.94
Own Staff (employees and non-employee workers) covered by the occupational health and safety management system (%)	-	-	-	-	-	-	100	100	100

(1) Calculation based on 6,000 working days per fatal accident and 4,500 for total permanent incapacity. Frequency Rate: The number of work-related accidents with leave of absence per million hours worked. Severity index: number of working days lost for work-related accidents + incapacity scale, per thousand hours worked. Absenteeism rate:

(a) Days absent due to common TI (temporary incapacity) > 3 days + days absent TI < 3 days / average headcount *365 *100.

(b) Days absent due to common TI (temporary incapacity) TI < 3 days + days absent due to Work-related Accidents + Work-related Illness / average headcount *365*100.

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Contractor Occupational Health and Safety Indicators / EU17

	2021	2022	2023
Average workforce	3,004	3,053	3,269
Hours worked (thousands)	5,225	6,351	5,558
Accidents with sick leave	31	24	46
Fatal accidents	0	0	0
Days lost due to accidents (1)	2,181	2,111	2,760
Accident frequency rate	5.93	4.48	8.28
Accident severity rate	0.42	0.39	0.50

(1) Calculation based on 6,000 working days per fatal accident and 4,500 working days for total permanent incapacity.

Workforce Distribution by Gender / no. / ESRS S1-6 AR 55

Gender	2023
Men (1)	1,762
Women (1)	715
Other	0
Not reported	0
Total employees	2,477

(1) See Note 24, Section D of the Group's consolidated annual accounts / ESRS S1-6 p. 50 (f).

Workforce Distribution by Country / no. / ESRS S1 AR 55

Country (1)	2023
Germany	32
Brazil	55
Chile	45
Colombia	142
Spain	2,023
México	27
Peru	138

(1) The table only shows the countries where Redeia has a number of employees amounting to at least 10% of the total workforce.

Workforce Distribution by Type of Contract, Broken Down by Gender / no. / ESRS S1-6 p. 50 (b) iii. / ESRS S1-6 AR 55

2023	Men	Women	Other (1)	Not reported	Total
Number of employees	1,762	715	0	0	2,477
Number of employees with permanent contract	1,744	701	0	0	2,445
Number of employees on temporary contracts	18	14	0	0	32
Number of employees with a variable hour contract	0	0	0	0	0
Number of full-time employees	1,742	674	0	0	2,416
Number of part-time employees	20	41	0	0	61

(1) Gender as specified by the employees themselves.

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Workforce Distribution by Type of Contract, Broken Down by Country ⁽¹⁾ / no. / ERSR S1-6 p. 50 (b) iii. / ERSR S1-6 AR 55

2023	Germany	Brazil	Chile	Colombia	Spain	México	Peru
Number of employees	32	55	45	142	2,023	27	138
Number of employees with a permanent contract	32	55	45	134	2,001	27	136
Number of employees with a temporary contract	0	0	0	8	22	0	2
Number of employees with a variable hour contract	0	0	0	0	0	0	0
Number of full-time employees	26	55	45	142	1,969	27	138
Number of part-time employees	6	0	0	0	54	0	0

(1) The table only shows the countries where Redeia has a number of employees amounting to at least 10% of the total workforce.

Collective Bargaining and Social Dialogue Coverage / ERSR S1-8 p. 60 (b) / ERSR S1-8 p. 60 (c) / ERSR S1-8 AR 70

2023	Employees - EEA ⁽¹⁾ (for countries with > 50 employees amounting to > 10% of the total workforce)	COLLECTIVE BARGAINING COVERAGE Employees – Non-EEA (for countries with > 50 employees amounting to > 10% of the total workforce)	SOCIAL DIALOGUE Workplace representation (EEA only) (for countries with > 50 employees amounting to > 10% of the total workforce)
0-19 %			
20-39 %			
40-59 %			Peru
60-79 %			
80-100 %	Spain	Brazil / Colombia	Spain

(1) European Economic Area.

Employees Covered by Worker Representatives / % / ERSR S1-8 p. 63 (a)

	2023
Total	98.8
Spain	98.8

(1) See Note 24, Section D of the Group's consolidated annual accounts / ERSR S1-6 p. 50 (f).

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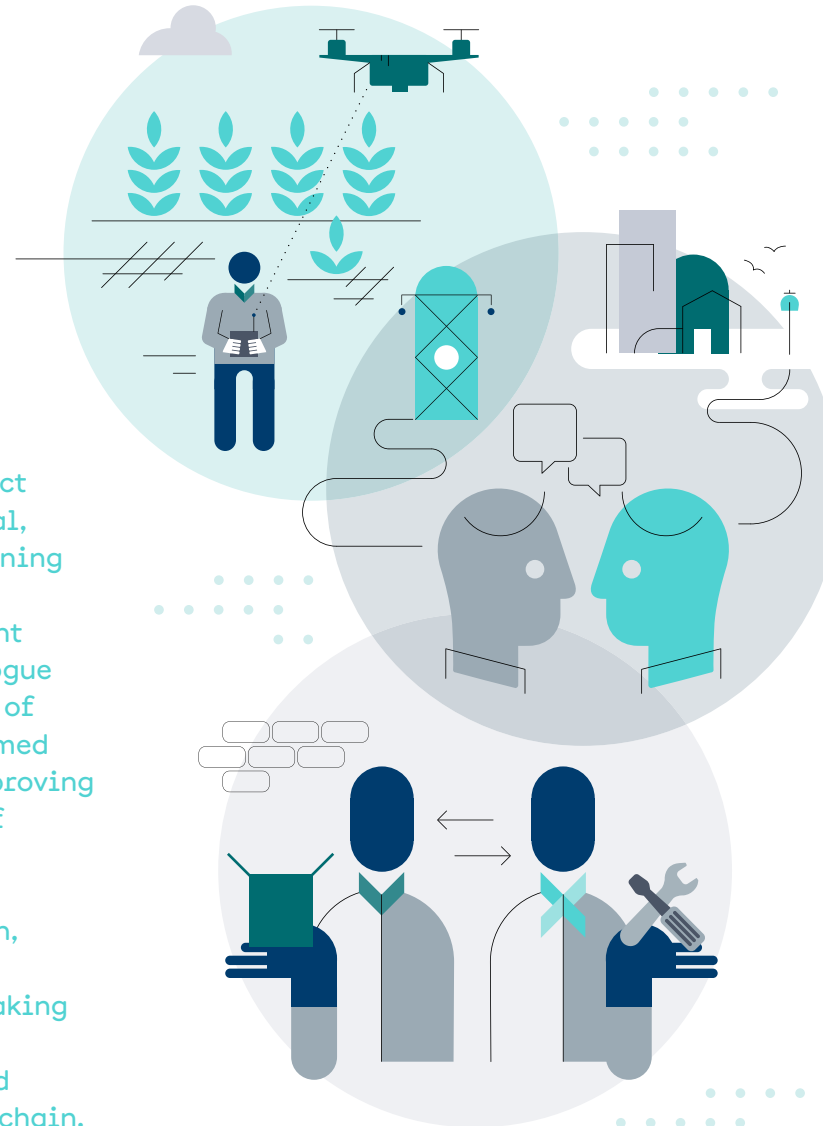
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Key Aspects

- Social Development within the Territory
- Relationship with the Environment
- Supply Chain

Obtaining a social license to operate is key for any project development. To meet this goal, we must intensify active listening to the needs and demands for information from the different territories, facilitating dialogue mechanisms and the creation of social innovation projects aimed at local development and improving the lives of the inhabitants of the region.

In the field of the supply chain, integrating ESG criteria into management and decision-making is a priority. In addition, this commitment must be extended to all links within the supply chain.



Our Value Creation Model

1 We identify the RISKS

Deliberate acts against critical facilities.

Potential halt or delay in construction works due to social opposition.

Establishing commercial relationships with suppliers from countries with socio-occupational risks.

Dependence on manufacturers, materials, and/or services.

2 We seize OPPORTUNITIES

Targeted local diagnosis to facilitate the design of specific action plans.

Promotion of projects aimed at shared value creation with local entities.

Promotion of positive impact on territories under a comprehensive impact strategy.

Development of shared value actions with suppliers.

In-depth analysis of risk in the supply chain.

Promotion of ESG commitments in suppliers.

3 We maximise positive IMPACTS

Social development.

Contractor safety and health.

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10.1 Social Development within the Territory



10.2 Relationship with the Environment

10.3 Supply Chain



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Key Indicators in 2023

ESRS S3 SBM-3 p. 9 (c)

€10,631,911 in 838 social initiatives.

85 #Contraladesigualdad social innovation projects in 564 towns, in cooperation with 178 entities, since 2019.

21 shared value creation projects related to the development of the transmission grid in 21 towns.

Challenges for 2024

To implement Redeia's Comprehensive Impact Strategy.

Awards and Recognitions

The #ContraLaDesigualdad programme received the award for best social action practice at the VI Diversity, Equity and Inclusion Awards held by the Adecco Foundation. Weaving living networks.

Milestones 2023

Approval of the Group's Comprehensive Impact Strategy.

Alignment in development of shared value creation projects in the different territories, with the aim of implementing the transmission grid under a social innovation approach with result measurement.

Partnerships with local action groups throughout the country.

10.1

10.1 Social Development within the Territory

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Financial and Social Contribution of Investments

203-2 / ESRS 2 SBM-2 p. 45 (c) i

Redeia targets its commitment to the environment towards creating shared value, promoting actions and investments that align with its business objectives, which, while generating shared value, positively impact the quality of life for society at large in the territories where the Company has assets. In turn, this represents a Company's contribution to attaining global challenges such as the United Nations Sustainable Development Goals (SDGs) or the European 2030 Energy Strategy.

Once again, Redeia's investment effort has a beneficial impact on society due to its stimulating effect on economic activity. By incentivising production, there is an increase in wealth (measured through GDP) and, as a consequence, employment is promoted

and public administrations have more revenue that can be dedicated to improvements in general social welfare. All this is the result not only of direct investments but also of the increase in activity driven by

the circular flows originating from any economic activity.

Since 2017, Redeia has used a methodology based on implicit activity multipliers obtained from

Investment effects

Direct Effect

Assessment and valuation of the production chain, job creation, and revenues generated within the economic system from an initial investment.

Indirect Effect

Revenue and job creation, since direct beneficiaries need to acquire other goods and services (intermediate consumption) from the rest of the productive systems to execute the investments, which, in turn, demand other goods and services from their own suppliers.

Induced Effect

Impact derived from all revenues generated in the previous stages. This effect encompasses both the effect of final consumption derived from all wage incomes generated and the tax revenue obtained by the various public administrations by applying different tax types to the total activity and revenues generated.

Note: Redeia will develop a methodology for calculating the socio-economic contribution of its investments in Brazil throughout 2023.

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input-output tables (prepared by each country's official statistical agencies), which allows us to estimate the overall level of activity generated from an initial investment. Calculations take into account the direct, indirect, and induced effects.

Socio-Economic Contribution in Spain

In 2023, Redeia invested a total of €943 million in Spain through activities in Red Eléctrica, REINTEL, REINTEL, Elewit, and HISPASAT. It is estimated that €224 million out of this was allocated to importing the necessary products to carry out their activity. The rest, around €719 million, corresponds to direct investment in Spain. The investment made has generated €1.388 billion of output in the business sectors concerned, which is almost double the investment made in Spain.

(1) Royal Decree-Law 17/2021 reduced the special tax on electricity from 5.1% to 0.5%. It has remained at that rate since September 2021.

This has contributed €608 million to the Spanish GDP (around 29.5% of Redeia's turnover in 2023), resulting in activity equivalent to 9,089 jobs. Altogether, this would have produced public revenues exceeding €231 million (approximately 23% higher than the provisional collection from the special tax on electricity⁽¹⁾ in 2023).

Socio-Economic Contribution in Chile

In 2023, Redeia, through its subsidiary Red Eléctrica Chile, made a total \$5 million investment in the transmission grid. This figure almost entirely corresponds to direct investment in Chile. The investment made has generated \$8.4 million of output in the business sectors concerned.

Total Effects of the Investment in Spain

	Direct	Indirect	Induced	Total
Generation (€M)	719.2	586.6	81.7	1,387.5
Income-GDP (€M)	301.8	267.1	39.2	608.1
Employment (No. of jobs)	4,698	3,865	525	9,089
Tax income (€M)	118.9	99.2	13.5	231.6

Note: the lack of consistency between the total figures and the sum of the partial data in one of the cases is due to rounding of decimal places.

Total Effects of the Investment in Chile

	Direct	Indirect	Induced	Total
Generation (USD million)	4.5	3.3	0.7	8.4
Income-GDP (USD M)	2.2	1.5	0.4	4.1
Employment (No. of jobs)	66	36	8	110
Tax income (USD M)	0.5	0.3	0.1	0.9

Note: the lack of consistency between the total figures and the sum of the partial data in one of the cases is due to rounding of decimal places.

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This has contributed \$4.1 million to the country's GDP, resulting in activity equivalent to 110 jobs. Altogether, this would have produced public revenues amounting to \$0.8 million.

Socio-Economic Contribution in Peru

In 2023, Redeia, through its subsidiaries in Peru, made a total \$1.7 million investment in the country's transmission grid, all of which correspond to direct investment in Peru. The investment made has generated approximately \$2.9 million of output in the business sectors concerned, which is almost double the direct investment (\$1.7 million) made in Peru. This has contributed \$1.2 million to the country's GDP, resulting in activity equivalent to 65 jobs. All of this together would have generated revenues amounting to \$0.2 million.

Socio-Economic Contribution in Brazil

In 2023, Redeia continued to strengthen Brazil's transmission grid through its participation in Argo, amounting to \$34 million. It is estimated that around \$4 million of this correspond to imports. The investment made has generated approximately \$82.1 million of output in the business sectors concerned,

more than double the direct investment (\$29.9 million) made in Brazil. This has contributed \$34 million to the country's GDP, resulting in activity equivalent to 2,330 jobs. Altogether this would have produced public revenues amounting to \$13.6 million.

Total Effects of the Investment in Peru

	Direct	Indirect	Induced	Total
Generation (USD million)	1.7	1.1	0.1	2.9
Income-GDP (USD M)	0.6	0.5	0.1	1.2
Employment (No. of jobs)	35	27	4	65
Tax income (USD M)	0.1	0.1	0.0	0.2

Note: the lack of consistency between the total figures and the sum of the partial data in one of the cases is due to rounding of decimal places.

Total Effects of the Investment in Brazil

	Direct	Indirect	Induced	Total
Generation (USD million)	29.9	41.0	11.2	82.1
Income-GDP (USD M)	15.0	14.9	4.1	34.0
Employment (No. of jobs)	1,303	785	242	2,330
Tax income (USD M)	6.1	5.9	1.6	13.6

Note: the lack of consistency between the total figures and the sum of the partial data in one of the cases is due to rounding of decimal places.



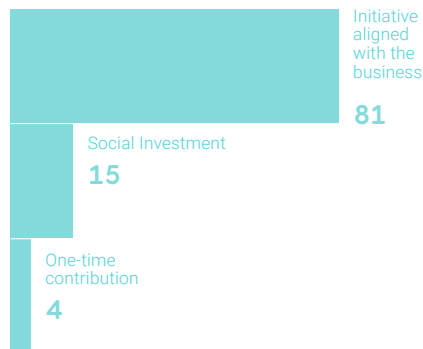
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In 2023, the Company contributed €10,631,911 and 838 social initiatives to the development or promotion of social initiatives, according to the LBG (London Benchmarking Group) methodology.



Type of Action / %

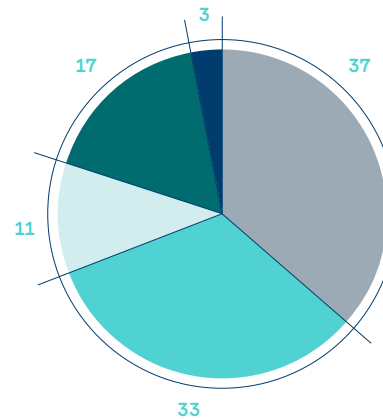
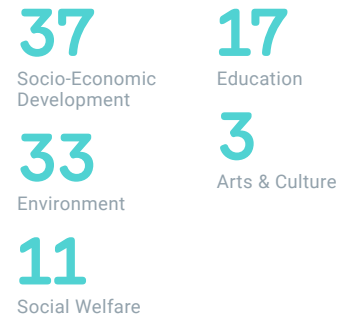


Investment in the community

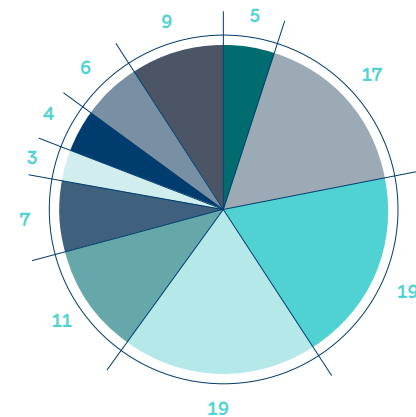
Redeia promotes social action as an essential element of its Sustainability Commitment 2030, through collaborations with various public and private institutions and entities to respond to the demands of stakeholders.

Of the 838 social initiatives carried out in 2023, 372 were aimed at the socio-economic development of the territory.

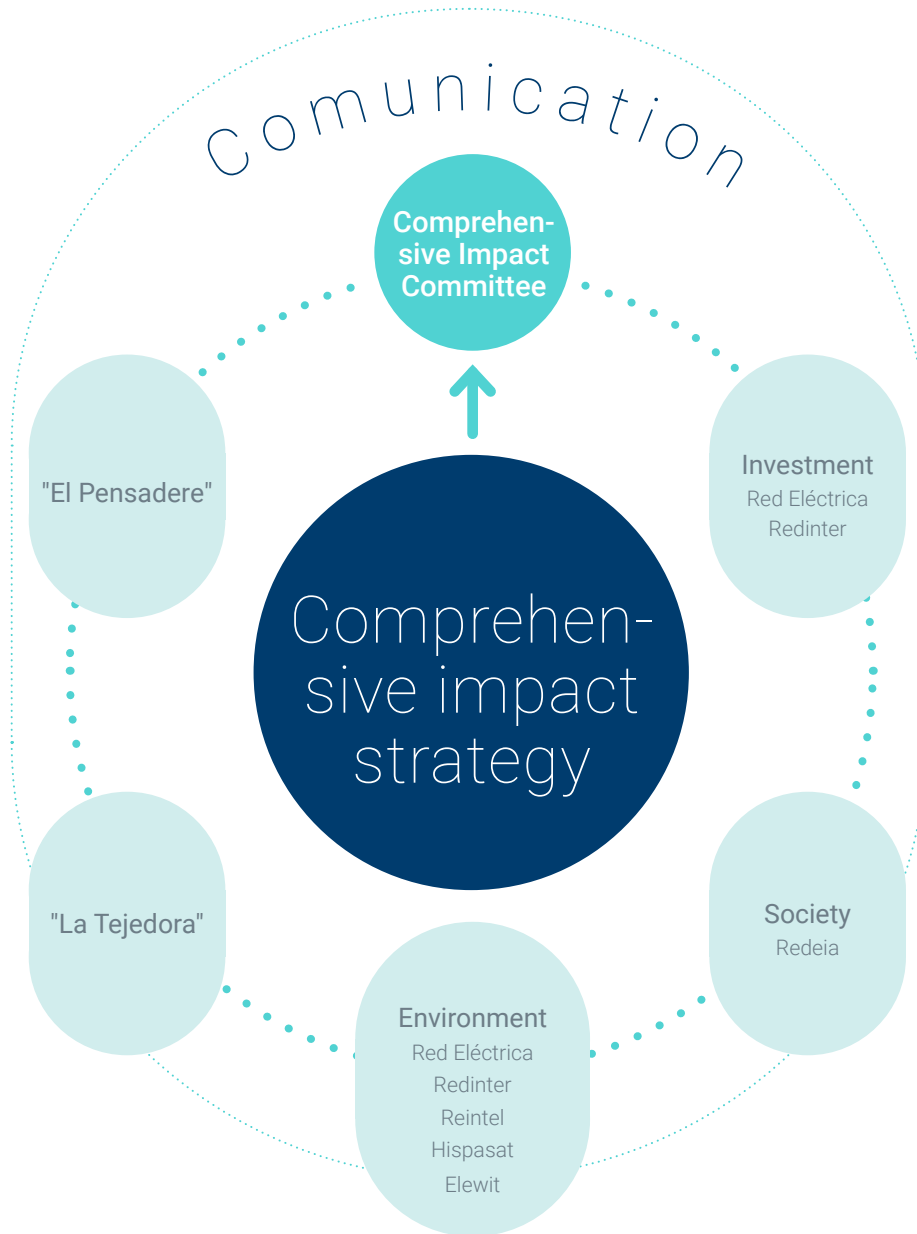
Areas of Action / %



Contributions by type / %



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Comprehensive Impact Strategy

During 2023, Redeia has worked on its Comprehensive Impact Strategy. It is a new global action framework for the Company that defines its relationships with the environment and aims at deploying its infrastructures even more coherently with its ambition in the environmental, social, and governance fields.

The Strategy is led by the Comprehensive Impact Committee, which includes representation from Redeia's top management, the various companies' investment areas, and all areas related to society, as well as natural capital. For each of these areas, large-scale projects with a considerable social impact will be launched building on the progress made so far, such as efforts on Social License to Operate, biodiversity commitment, and social innovation strategy.

The strategy involves the creation of a thinking space, the so-called "Pensadere", which mobilises active listening around the social and environmental problems

perpetuating inequality. It is a collective and creative space, formed by members of the Company, academics and opinion leaders who generate innovative and practical solutions to the problems facing society.

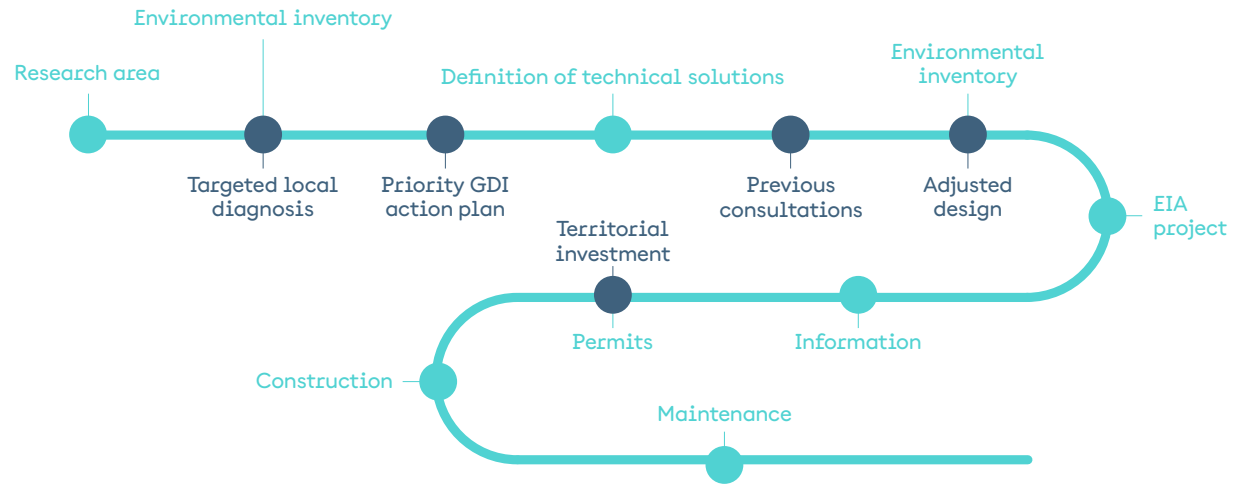
"La Tejedora" (The Weaver) is the engine that will drive all projects and set them in motion, establishing the necessary partnerships with governments, companies, associations, NGOs, and ultimately, those sectors of civil society that can collaborate to make the projects transformative, based on the conviction that there is no financial profitability without social profitability. / **ESRS S3 SBM-3 p. 8 (a)**

The entire strategy is embraced by communication initiatives aimed at informing stakeholders about ongoing projects that facilitate, among other things, the development of new transmission grid facilities to meet the goals of the energy transition and investment, which is carried out through collaboration agreements. / **ESRS S3-4 p. 38 / ESRS S3 SBM-2 p. 7**

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Except in rare cases (railway supply, large consumers, etc.), there is no evidence that a sufficiently differentiated type of communities affected by Redeia should be identified a priori by the Comprehensive Impact Strategy. Instead, the strategy focuses on studying the population of the town where the facilities are located. Therefore, there is no clear description of the types of communities subject to material impacts by the company's operations, or through its value chain, both upstream and downstream. This also implies that, during the development of investment projects, no differentiated impact has been identified on affected communities based on the social group to which they may belong. Nevertheless, if this happened to be the case indirectly, the particular relationship with that stakeholder group would be managed in order to define the best solutions (e.g., fishermen's guilds in subsea links). / **ESRS S3 SBM-3 p. 9 (a) / ESRS S3 SBM-3 p. 9 (a) i. / ESRS S3 SBM-3 p. 10**

Comprehensive Impact Strategy. Improvements in investment projects



- **Comprehensive Impact Strategy** involves conducting territorial and socio-economic diagnoses in key projects. A distinction can be drawn between Territorial Interest Projects (PITE) and Energy Transition Projects (TEN). These diagnoses include sociological and cultural studies of the affected communities and serve as the basis for identifying priority stakeholder groups.

- **Action plan for priority stakeholder groups** that promotes proper management of significant economic, social, and environmental impacts.

- Both the socio-political diagnosis and the action plan for priority stakeholder groups are carried out prior to the **previous consultations** stage.

- As a result of the diagnoses and action plans, potential changes in the project may be considered, e.g., an **adjusted design** of the facility is developed.

- In addition, the entire Comprehensive Impact Strategy has dedicated funds (territorial investment) that are awarded based on an allocation process by the Comprehensive Impact Strategy Steering Committee.

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Redeia works to establish trusting and smooth relationships with priority stakeholder groups and strictly aims to be the direct source of information for these groups.



Considering the possibility of impacts materialising on affected communities, Redeia works to establish trusting and/or smooth relationships with priority stakeholder groups. The Company strictly aims to be the direct source of information for these groups. Therefore, regional offices work directly in the specific territory to facilitate this relationship, conducting activities such as the initiatives mentioned in the Social Innovation section of this Report.

Particularly noteworthy is the creation of partnerships with the fishing industry due to the unique risks that the materialisation of impacts from subsea cables developed by Redeia poses to the Company. This has led us to proactively survey the industry's interests during the design phase of subsea cables. / **ESRS S3-4 p. 32 (a) / ESRS S3 SBM-3 p. 11**

Redeia interacts with affected communities throughout the various project stages, with the initial phase being of particular relevance. The project must be presented by Company representatives to the affected municipalities and stakeholder groups before its

processing begins. This allows citizens to pose questions and concerns to these representatives. Their resolution in turn builds a trusting relationship where the general public is able to identify Redeia and its representatives. It is at this point when, in order to promote these relationships, collaboration agreements with municipalities are encouraged. After this initial contact, the frequency of interaction with local communities depends on the needs identified in each case and may result in the adoption of specific actions to remedy potential impacts on these communities. / **ESRS S3-2 p. 19 / ESRS S3-2 p. 21 (b) / ESRS S3-4 p. 32 (b)**



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In its social aspect, our Comprehensive Impact Strategy helps reduce inequality and weave "Networks for the Future" through innovative and inclusive projects.



Social Innovation

With the aim of maximising Redeia's commitment to the territories where it operates and to promote shared value creation, in 2021, the Company defined the Group's social innovation approach.

Our social innovation approach focuses on **reducing digital, territorial, generational, and gender inequalities** with the aim of improving the quality of life of citizens in their communities. Additionally, it elaborates on the principles and guidelines outlined in Redeia's Ethical Code of Conduct, the 2030 Sustainability Commitment, our Commitment to respect and uphold human rights, and our Sustainability Policy, which

specifically emphasises the principle of creating shared value with stakeholders to contribute to the development of a more prosperous and sustainable environment by collaborating with communities and promoting the integration of the Company's activities in the territory. / DR 18

This approach is implemented through an Action Plan comprising eleven lines of action that contribute to achieving the United Nations Sustainable Development Goals; the Action Plan to Address



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the Demographic Challenge of the Ministry for the Ecological Transition and the Demographic Challenge (MITERD); Redeia's 2021-2025 Strategic Plan and its 2030 Sustainability Objectives. In this regard, our goal by 2025 is to launch eleven regional shared value creation (social innovation)

initiatives per year. These actions are associated with transmission grid investment projects. / **ESRS S3-5 p. 39 (b) / ESRS S3-4 AR 35**

Digital Society

In the territories where it operates, Redeia helps launch social initiatives that promote connectivity to bridge the digital access divide and supports actions aimed at digital literacy for society at large.

Connectivity: Bridging the Digital Access Divide

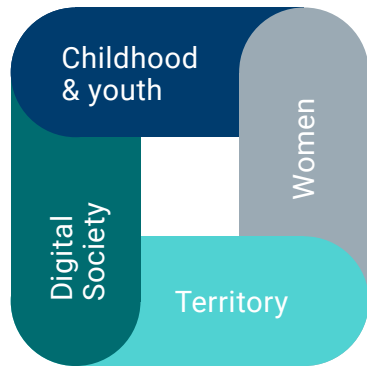
Redeia extends broadband connectivity through Reintel's optical fibre so that the communities living in the vicinity of Red Eléctrica facilities can access information and communication technologies. Hispasat's satellite fleet provides the necessary boost to local populations and economies in rural areas. Its coverage footprint is a key tool to bridge the digital divide, increase local economy productivity, curb depopulation, and advance social cohesion in territories in Spain and Latin America.

Some noteworthy actions in 2023 include:

- **Valle de Arán.** Connection to the Artiga de Lin de Vielha mountain refuge, aimed at facilitating management of the shelter and user connectivity. The project also includes the introduction of an intercom and a webcam with direct connection to the 112 emergency service. Additionally, the service provides WiFi HotSpot connectivity in the shelter's area of influence to allow hikers to establish a safe emergency point and facilitate them with connectivity. In addition to these services, the infrastructure deployed will allow the refuge to have a LoRa wireless network access point for connecting sensors and other IoT devices for livestock or people monitoring.

- **Sigüenza (Guadalajara).** Deployment of connectivity for the hamlets of La Cabrera, Moratilla de Henares, Pelegrina, Olmedillas, Torre Valdealmendras, and Cubillas del Pinar with the aim of providing them with a public building with free and open broadband connectivity. The solution ensures

Action Plan



#Contraladesigualdad
Weaving networks for the future

Digital Society

- 1. Connectivity (digital access divide)
- 2. Digital literacy (digital skills divide)

Childhood & youth

- 7. Child Poverty
- 8. Youth Employment
- 9. Training for the Ecological Transition

Territory

- 3. Local development
- 4. Natural capital
- 5. Municipalities for the ecological transition
- 6. Conservation of local culture

Women

- 10. Social Equality
- 11. Labour Integration

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connectivity in an area of up to 150 metres from the transmission point and enables access to home internet, with private contracts of up to 100 Mbps download speed and 5 Mbps upload speed. Deployment in this region is supplemented by a satellite digitisation solution to allow for measuring visitor traffic on the Dulce River trail and monitoring of available parking spaces via a dedicated application.

- **Sierra de Aralar.** Deployment alongside Nexmachina of IoT connectivity aimed at improving the safety and sustainability of rural areas and livestock activities in the region. This includes installing two satellite WiFi connectivity points, as well as SOS devices, digital cowbells for livestock, access control systems for nearby towns, parking space monitoring, and public lighting control in the vicinity of Abaltzisketa.

- **Hondarribia (Guipúzcoa).** Pilot IoT satellite project deployment on a fishing vessel equipped with CO₂, vibration, and smoke sensors connected via satellite. This setup enables the detection of pump or engine failures and identifies excessive or abnormal engine noises, resulting in more efficient and safer fishing activities and improvements and savings in quality audits and maintenance contracts.

- **Grupo Correos.** Satellite connectivity pilot project to connect offices located in towns with limited internet access. This enables these offices to join the Correos computer network, improve efficiency and agility, and expand their service offerings.

- **Cruz Roja.** Hispasat has developed a pilot safety sensor project in remote environments in collaboration with Engidi, aiming

to facilitate Cruz Roja's efforts in rescue operations in Tenerife. The company thus provides satellite connectivity which, along with Engidi sensors, allows for accident and rescuer location in areas with no phone coverage.

- **Arequipa, Cuzco and Puno (Peru).** Satellite connectivity programme developed by Redinter in partnership with Hispasat for nine municipalities in areas directly influenced by high-voltage power lines, benefiting over 1,300 residents who can access free satellite internet in the main squares of each community.

- **Panama.** Development of a pilot online education project deployed at the Plan de Chorchá Educational Centre in Ngäbe-Buglé. Additionally, Hispasat provided a WiFi connectivity service for the community, separate from the school's, allowing the rest of the inhabitants of this rural community to connect to the internet. The pilot includes two technology classrooms equipped with laptops for teachers, tablets for students, a cabinet for device storage and



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"Eje Digital" is a project that drives digitisation as a cornerstone of social and economic cohesion. It has allowed nearly 1,000 people from 10 towns in the areas where the Company operates to acquire new digital skills, improving their quality of life.



charging, an interactive digital screen, and classroom technology management software including logical security, as well as training for teachers in the use of these digital tools.

- **Mexico.** Hispasat and Sencinet, a multinational provider of integrated solutions and managed services, offer connectivity services for the corporate and government sectors in Mexico. Since June 2021, both companies have been providing critical communications to major companies and public buildings of the Mexican Federal Government in rural areas of the country.

Digital literacy: Bridging the Digital Skills Divide

Redeia helps reduce these inequalities through educational initiatives that help acquire basic digital skills so that individuals can use them in their daily lives to develop new social opportunities.

Some noteworthy actions in 2023 include:

- **"Vives" Digital Project 2021-2024 (Asturias).** A project in collaboration with Action Against Hunger, aimed at bridging the digital divide and improving the digital knowledge of vulnerable groups to facilitate their socio-economic integration, using the European Framework for Digital Competence for Citizens (DigComp) as a reference. 468 individuals have directly benefited by participating in digital competence courses.

- **"Eje Digital".** A project in collaboration with CyberVolunteers to promote digitisation as a cornerstone of social and economic cohesion by providing technological skills training through free courses. In 2023, the project was launched in ten towns, 93 workshops were conducted with the participation of 983 individuals, and 100 computer systems were donated for the creation of computer labs or networking spaces.

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Territory

Redeia contributes to the implementation of social initiatives aimed at reducing urban-rural disparities, promoting the energy transition, and fostering local entrepreneurship and innovation as key tools.

Local Development

The Group promotes agreements and partnerships with local and social entities and maintains contact with different administrations and social agents to enhance the local community's values, contribute to the balance between territories, foster sustainable local entrepreneurship, and improve the lives of citizens.

/ ESRS S3-4 AR 34 (b)

Some noteworthy actions in 2023 include:

- **Holapueblo** ↗. In 2023, the III edition of Holapueblo concluded and the IV edition was launched, in collaboration with AlmaNatura and IKEA. Since the project's birth in

13,750
applications
RECEIVED

since the beginning of the Holapueblo project, resulting in 140 individuals settling and establishing businesses in rural areas

2019, over 13,750 applications from entrepreneurs have been received, 148 towns facing depopulation issues have been served and 114 entrepreneurs have been mentored, resulting in 140 individuals (53 entrepreneurs along with their families) settling in 36 towns with depopulation issues and establishing 34 new businesses in rural areas.

- **Ruralizable** ↗. A Spanish rural entrepreneurship initiative. In

2023, over 130 registrations were received, and more than 100 entrepreneurship sessions were conducted. 38 projects were mentored, 17 of which were invited to entrepreneurship and innovation ecosystems, including South Summit, Alhambra Venture, and Presura 2023.

- **Olivos del Valle de Azapa**. Through Redinter, in collaboration with the Association of Olive Growers of the Azapa Valley in Chile, the publication "Olivos del Valle de Azapa: Recetario de un paisaje patrimonial de América del Sur" (Olives of the Azapa Valley: Recipe Book for a Cultural Landscape in South America) was designed and edited. The aim is to enhance the historical, cultural, and financial value of the Azapa olives and olive trees by creating the Olive Route to promote local tourism and appreciate the cultural richness of Arica.

Natural Capital

Through the creation of partnerships, Redeia collaborates with rural territories in their economic development, participates in

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creating new opportunities based on promoting services generated by ecosystems for human wellbeing, and safeguarding natural resources in the vicinity of transmission grid facilities, advocating for the use of Nature-Based Solutions (NbS), and helping optimise the efficiency of small agroecological farms.

Some noteworthy actions in 2023 include **Pastoreo en Red**: ↪

- **"Pastoreo en RED" in León.** Two pilot practices for controlled vegetation management involving local extensive livestock were developed within the framework of this project: one pilot in the Alto Bernesga Biosphere Reserve, in collaboration with Enagás, Agrovidar, and a group of local female shepherds under a power line located in Casares, a town in Villamanín; and another in the Montaña Leonesa, in collaboration with Agrovidar and a group of local shepherds in the town of Cistierna and Rabanal. In both cases, field monitoring is carried out through field data collection to understand the evolution of vegetation and its biodiversity, both in the line's security corridor and in adjacent areas.

- **"Pastando en REDE" in Galicia.** In collaboration with Naturgy, the Sociedade Galega de Pastos e Forraxes (Galician Society for Pastures and Forages), the University of Santiago de Compostela, and a group of local

shepherds, vegetation management is carried out using extensive livestock on a power line located in the municipality of Maceda (Ourense). As in the previous case, vegetation and biodiversity under the power line's security corridor and in adjacent areas are studied in order to understand their evolution.

- **The "Pastoreo en RED" dialogue space,** created alongside Red Eléctrica technicians and operators who are responsible for vegetation management throughout the transmission grid. Its aim is to raise awareness of the benefits of vegetation management involving local extensive livestock as an additional alternative in maintaining vegetation on power lines.

More information on the "Pastoreo en RED" project can be found in the **Biodiversity** ↪ sector of this report.

Municipalities for the Ecological Transition

Redeia plays an active role in the new energy transition model. The Group promotes the creation of rural energy communities and provides



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Redeia collaborates with over 40 local action groups through the Working Group for territorial development of the energy transition.

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tools that equip municipalities with the knowledge necessary to tackle the challenge posed by the energy transition.

The **Working Group for territorial development of the energy transition** is particularly noteworthy among the actions taken in 2023. This initiative combines efforts at the local level to achieve the goals set for 2030 by the National Integrated Energy and Climate Plan (PNIEC). Initial actions undertaken by the Group include the publication and dissemination of the "Guide for the development of energy transition plans in Spain", as well as the launch of the Group's website to publicise the results of participatory strategies by local action groups.

Preserving Local Culture

Promoting the protection, restoration, conservation, and appreciation of archaeological and architectural resources in the territories where the Group operates is a priority for Redeia. This commitment is now reinforced by our pledge to help maintain customs and traditions, undeniable cultural assets of our territories

that help strengthen regional identity and overall well-being.

Some noteworthy actions in 2023 include:

- **Digitising archaeological heritage.**

Implementation of a Geographic Information System for Cultural Heritage through the digitisation of archaeological sites in the provinces of Ciudad Real, Guadalajara, and Toledo. This initiative completes the digitisation of the entire archaeological heritage in Castilla-La Mancha.

- **Valle de Azapa tourist circuit.**

Redinter collaborates with the University of Tarapacá to implement a project aimed at restoring the cultural and natural tourist circuit of the Azapa Valley in Chile through the construction of tourist viewpoints located in sites of significant heritage value, such as the Geoglyphs in the Tiliviche Gorge. In addition, training has been provided to several guides in the region, and workshops have been conducted with participation from the communities based in the valley.



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Childhood & Youth

Redeia works on reducing child poverty by collaborating with educational entities and investing in education, as well as promoting associated youth employment, mainly in response to demands arising from the new energy transition model.

Child Poverty

The Group collaborates with Third Sector organisations and public administrations to identify and develop support programmes to reduce and prevent child poverty in the territories where the Company operates, as well as to promote digitisation and facilitate access to digital education.

Some noteworthy actions in 2023 include:

- **Kusi Warma Programme**, for the reduction of anaemia and improvement of reading skills and emotional development in 100 children enrolled in early childhood and primary education in two communities within the area of direct influence of the TESUR 2 concession in Puno.

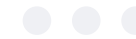
This programme is a collaborative effort between Redinter, the NGO ADRA, the Peruvian Union University, local Health Centres, children's parents, and two educational institutions.

- **The "Casitas" Programme** by Redinter in conjunction with the Jesuit Organisation of Peru will provide 30 children from the Buena Vista community in the city of Tacna, in the area of influence of the TESUR 3 concession, with a safe space to reinforce learning and socio-emotional skills.

- **School Kits**. Initiative promoted by Redinter that provides educational materials to children in vulnerable situations.

Youth Employment

Redeia is working on identifying projects that help young people acquire and improve key skills to help promote a green economy and generational turnover in rural



areas, as well as projects aimed at speeding up the attraction of young talent to the energy industry in the context of the energy transition.

Some noteworthy actions in 2023 include **FP=Energía+**. This is a multi-year training programme (2022-2025) developed in the northern area of Granada, in collaboration with the High Commissioner for Child Poverty and the Balia Foundation, to combat early school dropout, inspire career paths related to the ecological transition and digitisation, and facilitate access to vocational training. During the 22/23 school year, an awareness-raising programme was carried out with the participation of 416 students, while currently, a scholarship and personalised support programme for about twenty students is under development. It will include a grant of €2,000 per student.

Training for the Energy Transition

Redeia plays an active role in developing activities that promote



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the dissemination of knowledge about the operation of the Spanish electricity system among students and involving young people in the challenge of a fair energy transition.

Some noteworthy actions in 2023 include:

- **entreREDes**  Digital Game developed by Red Eléctrica for secondary education students to help them review their syllabus and allow them to learn about the operation of the Spanish electricity system and the ecological transition. Over 40,000 students from 165 educational centres participated in the IV entreREDes Olympics.
- **Hémera (Digital School for the Energy Transition)**. Following the creation of a digital tool to educate and inform about the energy transition, Hémera, in collaboration with FEUP and ten popular universities, reinforces awareness-raising efforts.
- **"Conectados al futuro" ("Connected to the Future") Exhibition**. Creation of a travelling exhibition that visits



Over 40,000 secondary education students from 127 towns in 10 autonomous communities participated in the IV entreREDes Olympics.



different science museums in Spain. An interactive and digital experience designed to promote knowledge of the energy transition and the active role that consumers will play in the electricity system in the future.

- **Talento solar ("Solar Talent")**. Training programme that provides 20 unemployed individuals from Segovia with training as specialists in the assembly, commissioning, operation, and maintenance of photovoltaic solar

installations, both in industrial generation power plants and in residential and self-consumption power plants.

Women

Redeia is making efforts to promote social and labour equality for women and to leverage opportunities for all.

Employability

Redeia works on identifying employability projects that empower women by promoting their personal



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autonomy and qualification for employment, as well as continuing to promote equality between women and men in technical careers (STEM).

Particularly noteworthy among the actions undertaken in 2023 is **RedeSTEAM**, ↪ an initiative promoted by Redeia within the framework of the "STEAM Alliance for Female Talent. Girls on a Scientific Footing" initiative

of the Ministry of Education and Vocational Training, which encourages the development of technological and scientific projects by secondary education or vocational training female students that address a social or environmental need. The second edition of RedeSTEAM involved the participation of 149 female students from 31 educational centres. / **ESRS S1 SBM-3 p. 14 (c)**



The second edition of RedeSTEAM involved 149 female students who proposed technological and scientific solutions to address socio-environmental needs in our surroundings.



Social innovation projects to promote the acceptance of the transmission grid

Redeia collaborates with territories where its facilities are located or will be developed to maximise shared value creation, promoting the energy transition in compliance with the National Integrated Energy and Climate Plan (PNIEC) and the Energy Contingency Plan to focus on combating digital, territorial, generational, and gender inequalities. In 2023, projects have been launched in 21 towns.

An example of this is the Galicia Interconnection, where Red Eléctrica has reached agreements in the municipalities of Avión, A Cañiza, Beariz, Boborás, Carvalleda de Avia, Covelo, and Melón.

The ongoing projects will benefit over 20,000 individuals through savings facilitated by efficient street lighting and self-consumption measures in municipal buildings; sustainable mobility through the acquisition of electric vehicles for municipal services and the installation of charging points; promotion of municipal cultural heritage; and the improvement of local roads to comply with safety regulations.

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Redeia collaborates with the territories where its facilities are located or will be developed, with the aim of maximising shared value creation, driving the energy transition.



Corporate Volunteering ESRS S3-4 AR 34 (b)

Our **corporate volunteering model** extends the Company's social action by promoting and enhancing collaboration in community service initiatives that address social needs, problems, and interests defined in its guidelines.

The actions carried out in 2023 have responded to the interests of participating volunteers and have contributed primarily to improving the quality of life of groups at risk of social exclusion, promoting

employability, and addressing specific and real demands of society at large. Volunteering activities are tailored to each country where Redeia is present to better fit its social reality and needs.

As a result, Redeia achieved a unique volunteer participation rate of 24.9% in 2023 (compared to 26.7% in 2022), once again exceeding the target set at the beginning of the year (20%).

Noteworthy Corporate Volunteering Actions in 2023

Role Play Activity with Socially Excluded Women Alongside the Quiero Trabajo Foundation

Five volunteers participated in the support session for women facing added difficulties in accessing employment to help them improve and foster their autonomy and confidence with a view to their insertion into the labour market.

Virtual Charity Run in Collaboration with the Aldeas Infantiles Foundation

The activity was carried out through a fitness mobile application that helped measure physical activity and render it into kilometres. The distances covered by participating companies were converted into financial contributions to the Aldeas Infantiles Foundation. Twelve volunteers participated in the competition, finishing in 3rd place.

Collaboration with the Ukrainian People Through the International Red Cross - Mountain Biking event in Meandros de Sástago

This initiative involved the participation of 275 runners and resulted in a €2,750 donation. Additionally, local volunteers teamed up to organise the race.

Charity Magic Workshops with the Abracadabra Foundation in Homes for People with Disabilities

Two magic workshops were conducted with the participation of eight volunteers for groups in elderly care homes to promote collaboration with these groups during their leisure time.

Food Collection Initiative for the Soup Kitchen of the Associació Tardor in Palma de Mallorca

Twenty-five participating volunteers collected 70 kg of food that benefited various low-income families.

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Redeia's corporate volunteering model has a strategic and transformational approach, aiming to channel internal talent and provide innovative solutions to social and environmental issues.



Noteworthy Corporate Volunteering Actions in 2023/ continued

Milk Collection Challenge in Collaboration with FESBAL (Spanish Federation of Food Banks)

3,468 litres of milk were collected, benefiting 1,850 families.

Collaboration for the creation of "Superhero Kits" for hospitalised children alongside the Pequeño Deseo Foundation

On the occasion of the "World Children's Day," 230 kits were created (110 in various territories and 120 in Madrid), all of which were donated to eight hospitals nationwide.

Collection Activity of Children's Books and Gifts for the Elderly

An activity linked to Christmas, aimed at providing children's books and gifts for the elderly, carried out in collaboration with the Red Cross and Messengers of Peace. 110 gifts were collected.

School Kits

An activity linked to the beginning of classes for children in poverty and extreme poverty in the Company's areas of direct influence in the towns of Arequipa, Cusco, Moquegua, Puno, and Tacna (Peru). 1,690 school kits were gifted to children and teachers.

Charity Run: For a Happy Childhood by Aldeas Infantiles

Seventeen employees and their families participated in this race, which aims to benefit children in vulnerable situations.



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Key Indicators in 2023

Ninety-five agreements with public entities.

Over 1,500 visitors have toured Red Eléctrica facilities and control centres, both in person and virtually.

Milestones 2023

Creation of the alliance for biodiversity, with the presence of various NGOs in this field.

Launch of the "Redes para renovables" ("Grids for Renewables") project alongside the Renewables Grid Initiative and the Renovables Foundation.

Signing of a framework agreement with ESAN Peru for the exchange of best practices and knowledge.

Challenges for 2024

To promote awareness-raising about Redeia's activity and its role in the energy transition among the local community.

To explore new forms of collaboration in the territories where Redeia operates.

10.2 Relationship with the Environment

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Relationship with Local Communities

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Redeia promotes and maintains a permanent relationship with the local communities where it operates, not only during the construction stages of new infrastructures but also throughout the entire life cycle of its facilities. / **ESRS S3-1 p. 16 (b)**

Spain

In Spain, the company has a nationwide organisational structure that facilitates institutional communication and collaboration with administrations and public and private institutions. / **ESRS S3-2 p. 21 (a)**

In 2023, Red Eléctrica has signed 95 collaboration agreements with public and social entities primarily associated with socio-economic, environmental, educational, and cultural development initiatives.

ESRS S3-4 p. 32 (c)



75% of amicable agreements reached with the owners of the lands affected by the new investment projects completed in Spain in 2023.



In the case of municipalities and regarding the construction of new infrastructures, the company encourages engagement to inform about the need for the facilities and their role within the transmission grid and promote dialogue that facilitates sustainable project development.

ESRS S3 SBM-2 p. 7 / ESRS S3-2 p. 21 (a)

Looking ahead to 2024, Redeia aims to enhance its publicity and awareness-raising efforts regarding the company's projects, especially following the 2021-2026 Electrical Planning approval. To achieve this, it

plans to continue its advocacy work with parliamentary actors, NGOs, and opinion leaders in the Group's various areas of activity.

Latin America

Redinter is currently utilising the materiality survey conducted by the corporation, which provides information about its stakeholders. Additionally, stakeholder information is collected through surveys and phone calls in order to understand their needs and expectations first-hand. Likewise, their satisfaction with the service and professional relationship is



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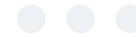
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assessed. This report supplements the corporation's materiality survey, as the responsible parties use the information gathered to develop their action plans and propose objectives for the year.

ESRS S3 SBM-3 p. 8 (a)



Furthermore, the activities carried out with the communities are aligned with the Principles of Community Relations and are conducted according to each concession's Community Relations Plan. / **ESRS S3-2 p. 21 (b)**

In Peru, Redinter works with representatives of the groups affected by the potential impacts of the Company's activities by holding regular committees. During these meetings, the initiatives carried out with local communities and their individual results in their areas of direct influence are publicised. Additionally, the Company's communication channels are shared with community representatives to ensure that their requests are received. / **ESRS S3-2 p. 19**

Some of the main actions undertaken by Redinter to prevent negative

risks on affected groups include the development and implementation of **community relations plans**. During 2023, the Company achieved compliance with the community relations plans of its concessions and held meetings with the Committees for Monitoring and Citizen Oversight of the Tesur 2, Tesur 3, and Tesur 4 projects. Likewise, various types of actions are carried out to mitigate and remedy potential environmental or social impacts identified in the Environmental Impact Surveys, and action plans are implemented through different areas of the Company on any aspects regarded as essential. / **ESRS S3-4 p. 32 (a) / ESRS S3-4 p. 32 (b)**

In this regard, it is worth noting that all groups in the Company's areas of influence are affected by its operations. These mostly consist of rural populations in situations of poverty or extreme poverty with high social requirements, mainly due to limited government involvement in their territories or the absence of governance. This information, as well as demographic and economic data about the groups affected by the Company's

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At Redinter, the Access and Permits, Environmental, and Sustainability areas work together to carry out social projects that, in addition to compensating for negative material impacts, generate value for the organisation.



operations, is collected through the aforementioned Environmental Impact Surveys and supplements the knowledge available about these communities. However, we have not succeeded in reaching a more detailed understanding of how certain communities living in certain specific contexts or having particular characteristics may be subject to a greater risk of impact by Redinter. / **ESRS S3 SBM-3 p. 9 (a) / ESRS S3 SBM-3 p. 9 (a) i. / ESRS S3 SBM-3 p. 10**

At Redinter, the Access and Permits, Environmental, and Sustainability areas work together to carry out social projects that, in addition to remedying or compensating for negative material impacts on affected groups, generate value for the organisation. Budget management aligns with the initiatives designated for each year, and the aforementioned areas are responsible for overseeing the allocated budgets. / **ESRS S3-4 p. 38**



In addition to the above, the implementation of social management activities in Peru amounted to a total of \$287,618. More information on the social initiatives carried out in Peru can be found under section **Social Development within the Territory** of this report.

In Chile, similar to Peru, Environmental Impact Surveys result in actions to mitigate and remedy environmental or social impacts identified in these surveys, as well as action plans on any aspects regarded as essential. / **ESRS S3-4 p. 32 (a) / ESRS S3-4 p. 32 (b)**

Additionally, in 2023, notable efforts were made in training on electrical risk as part of the ongoing support to fire-fighters in Arica and Parinacota.

The implementation of social management activities in Chile amounted to a total of \$62,622.



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More information on the social initiatives carried out in Chile can be found in the **Social Development within the Territory** ↪ of this report.

Participation in Organisations and Associations 2-28

Redeia participates in numerous associations aimed at sharing and disseminating best practices, such as the Mediterranean Transmission System Operators (Med-TSO), *Sociedad Nacional de Minería, Energía y Petróleo* (Peruvian National Society for Mining, Energy and Petroleum), *Asociación de Transmisoras* (Chilean Association of Transmitters), *Unión Internacional de Telecomunicaciones* (UIT) (International Telecommunication Union), *Asociación Española de Tecnologías de Defensa, Aeronáutica y Espacio* (TEDAE) (Spanish Association for Defense, Aerospace and Space Technologies),

Transparency International Spain, International Corporate Governance Network (ICGN), ESAN University (Peru), Club de Excelencia en Sostenibilidad (Club for Excellence in Sustainability), and Forética.

Redeia has been registered in the European Union Transparency Register since 2011 (ID number: 44688805318-45). / **ESRS G1-5 p. 29 (d)**

The following organisations stand out as some of the most relevant associations Redeia is part of:

- **ENTSO-E.** The European Network of Transmission System Operators for Electricity is a key instrument of coordination among European TSOs for the design, development, and implementation of the Internal Market for Energy (IEM), the deployment of regulations, and the development of a sustainable electricity system for the European Union (EU). In 2023, Red Eléctrica dedicated 19,198 hours by 63 employees from 20 business groups to strengthening its participation in all five technical committees and assuming leadership roles in strategic groups (e.g., Market

Reform, European Ten-Year Network Development Plan). Additionally, Red Eléctrica renewed its position as a member of the Council for a period of two years in 2023.

Its contribution to stakeholder engagement and territorial relations in the Electricity Grids Forum promoted by the European Commission is particularly noteworthy.

- **RGI.** The Renewables Grid Initiative is an organisation that brings together TSOs and NGOs in the EU to promote fair, transparent, and sustainable grid development. In September 2023, the Offshore Coalition for Energy and Nature in the Mediterranean (Med OCEaN) was launched. This initiative, composed of 15 members, will work on issues such as maritime spatial planning, regional cooperation, the environmental impact of floating offshore technology, and compatibility of offshore wind energy, nature, and other industries.



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Redeia participates in numerous associations aimed at sharing and disseminating best practices, and has been registered in the European Union Transparency Register since the beginning of 2011.



- **CIGRE.** The International Council on Large Electric Systems is a global community committed to the collaborative development and exchange of experience in electricity systems. In 2023, Red Eléctrica's participation in the XIX Ibero-American Regional Forum held in Foz de Iguazú (Brazil) is worth mentioning. During the closing session, Redeia presented its sustainability model,

emphasising the importance of applying sustainability criteria in planning processes. Additionally, Red Eléctrica received three awards for its efforts and the advancements these have represented in the field of energy transition. Furthermore, a member of Red Eléctrica was awarded the Distinguished Member Medal of the Ibero-American Region of CIGRE (RIAC) for the contribution to the expansion and consolidation of the technical community in the region.

- **Equality Platform for the Energy Sector.** This platform, initiated by the European Commission, promotes equality and inclusion in the energy industry. In 2023, Redeia's participation in forums where the Company's diversity strategy was shared was particularly noteworthy. **ESRS S1-4 p. 38 (c)**

More information about Redeia's participation in organisations and associations, as well as transparency in institutional relations, can be found in our [corporate website](#).



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Key Indicators in 2023

72% of the supplies (services) with the highest risk in terms of physical security, data security, and cybersecurity reached the designated maturity level.

67% of the top 20 equipment and materials suppliers integrated into our sustainable purchasing model.

Audits on suppliers with ESG risk: 61.5% of suppliers with ESG risk have been audited.

Milestones 2023

Design of a model for integrating sustainability criteria into procurement processes.

Bringing procurement needs in line with suppliers by making demand visible at the strategic and operational levels.

Publication of the first ESG Programme for suppliers, approved by top management.

Challenges for 2024

To continue to integrate circularity, climate change, security, diversity, and biodiversity criteria into the supply chain.

To promote supplier development and support in order to improve their capabilities in ESG areas, especially in terms of circularity, climate change, and security (physical, data, and cybersecurity).

To conduct awareness-raising campaigns for suppliers about mental health as a psychosocial risk factor.

To provide specific training to buyers on ESG matters for consideration in tender processes.

10.3 Supply Chain

10.3

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Sustainable Supply Chain Management Model ESRS G1-2 p. 15 (a)

Redeia has a sustainable supply chain management model based on the principles of non-discrimination, mutual recognition, proportionality, equal treatment, transparency, and free competition.

This model aims to ensure supply efficiently and responsibly. Achieving this requires alignment of Redeia's suppliers and their contracts with the Company's

environmental, social, and governance values, as well as a management approach focused on identifying and minimising risks.

Our **Procurement Operational Plan**, in line with Redeia's 2021-2025 Strategic Plan, defines initiatives to ensure compliance with action plans related to energy transition and connectivity, efficiency, innovation and technology, and sustainability. In no case do Redeia's supplies correspond to those used by the arms industry or for other military purposes. / **ESRS S1-4 p. 35 / ESRS S1-4 p. 37**



Redeia voluntarily adheres to initiatives and professional associations that strengthen the extension of its commitment to sustainability to suppliers, including the principles of the United Nations Global Compact.



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Sustainable Supply Chain Management Model

REGULATORY FRAMEWORK

ROYAL DECREE-LAW 3/2020	CODE OF ETHICS AND CONDUCT	SUPPLIER CODE OF CONDUCT	SUPPLY CHAIN POLICY	SUSTAINABILITY POLICY	GUIDE FOR THE PREVENTION OF CORRUPTION	INTERNAL REGULATIONS
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LEVERS FOR ONGOING IMPROVEMENT

STRATEGIC PLAN	PROCUREMENT OPERATIONAL PLAN	AUDITS AND ASSESSMENTS	SUSTAINABILITY PLAN	SUPPLIER PERCEPTION SURVEYS	OBJECTIVES AND PROJECTS
----------------	------------------------------	------------------------	---------------------	-----------------------------	-------------------------

PILLARS

Continuous search for the lowest expected total cost

- Search for efficiency, effectiveness and simplification of processes.
- Implementation of sourcing strategies.

Function segregation and transparency in management

- Centralised management.
- Dedicated supplier department without a procurement function.
- Optimal communication with suppliers.
- Accessible qualification process.
- Processes in systems (traceable and auditable).
- Service levels validated by internal customers.

Ethical management and development of suppliers and subcontractors

- Communication channels.
- Campaigns to convey principles and policies to suppliers.
- Specific development plans.
- Creation of partnerships.

Minimisation of risk associated with procurement processes

- Identification of impacts and risks.
- Establishment of requirements to mitigate impacts.
- Acceptance of Supplier Code of Conduct and social audits.
- Broad supplier market.

Contribution to the Company's growth

- Ensuring supply by guaranteeing sufficient competition.
- Transfer of ethical, respect, integrity, and sustainability values to the supply chain.

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Redeia's sustainable management model aims to ensure supply efficiently and responsibly, with the utmost commitment to sustainability.



Supplier Code of Conduct 2-24

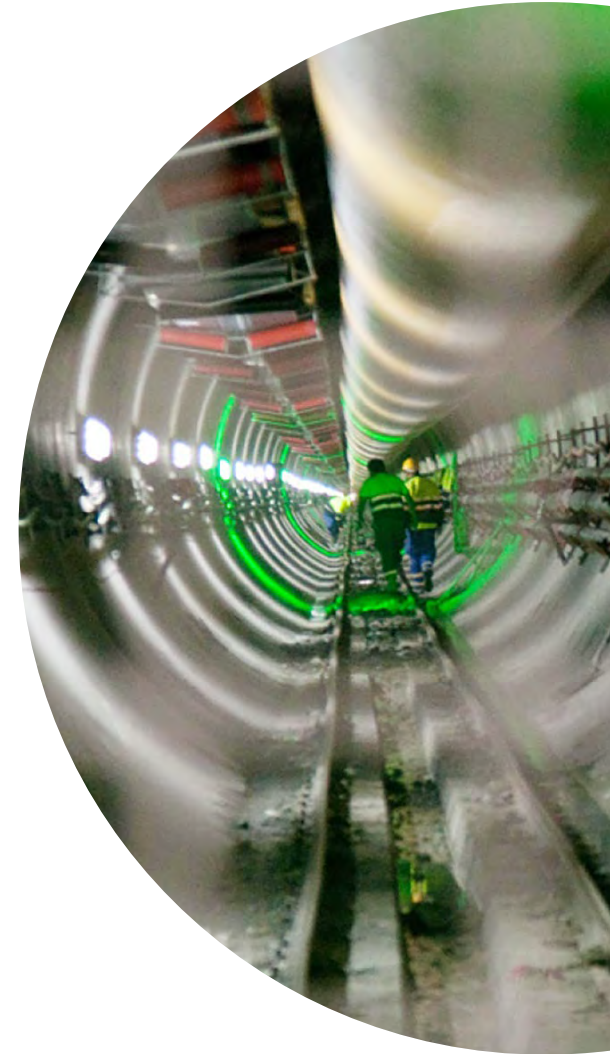
Our Supplier Code of Conduct, derived from Redeia's Code of Ethics and Conduct, establishes the minimum ethical, social, and environmental requirements that every supplier must accept and adhere to in order to work with Redeia, committing to extend these requirements to their own supply chain. / **ESRS S2-1 p. 14** / **ESRS S2-1 p. 16**

As part of its evolution, Redeia periodically updates the Supplier Code of Conduct, adding principles that supplement requirements such as ensuring the absence

of all forms of child labour, forced labour, or coercion, as well as observing maximum working hours and minimum wages in line with international labour standards.

In 2023, a review of the code was conducted. Specifically, the following new requirements were added: regarding their relationship with employees and contractors, no workers should suffer any form of harassment and employees should be provided with training in physical and mental health. As for their relationship with the environment, there is a focus on efficient resource use, promoting energy savings, and implementing preventive measures to avoid or minimise deforestation and soil and environmental degradation. / **ESRS S2-1 AR 15**

When a supplier starts a registration process on the PRORED platform to begin their rating and qualification process to become part of Redeia's database, they must accept the Supplier Code of Conduct from the outset. As stated in the General Terms and Conditions of Contracting, the code is part of the contract documents.



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If the Company considers that a specific supply must meet minimum requirements (certifications, previous experience, personnel, resources, etc.), a supplier profile (minimum requirements questionnaire) is prepared, which the supplier must pass prior to qualification. All suppliers must ensure that their contractors, in turn, have policies and practices that respect the principles contained in the code and ensure that they adhere to principles similar to those of Redeia, ensuring full integrity along the supply chain.

The Company conducts social audits with a dual objective. On the one hand, to verify proper compliance with the Code of Conduct by suppliers and, on the other hand, to convey the Company's sustainability principles to them.

Supply Chain

2-6 / 204-1

Comprehensive Procurement Management

Continuous improvement in procurement planning and advertising through our corporate website to visibly and proactively address needs.

Our supply chain in numbers

- 3,293**
companies have worked within Redeia's General Conditions of Contract
...
- 2,069**
suppliers
...
- 1,224**
subcontracting companies
...
- 69.1%**
corresponds to works and services
...
- 30.9%**
corresponds to materials and equipment
...
- €1,103_M**
certified to suppliers
...

- 94.2%**
of volume certified by Redeia and executed by suppliers based in the European Union
...
- 86.6%**
of volume certified in Spain by Redeia executed by suppliers based in Spain
...
- 98.1%**
of volume certified in Chile by Redeia executed by suppliers based in Chile
...
- 53.8%**
of volume certified in Peru by Redeia executed by suppliers based in Peru
...

State of Our Supplier Portfolio^(*)

- 2,539**
suppliers for 394 supplies
...
- 296**
new suppliers added to our portfolio in 2023
...

(*) Excluding Hispasat and Redinter companies (local procurement).

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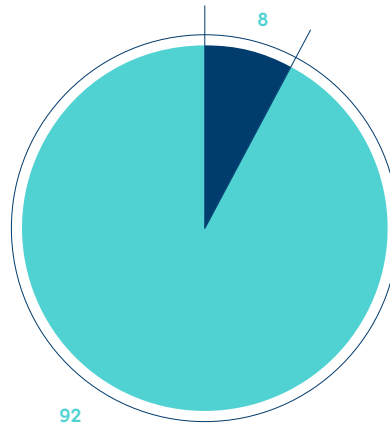
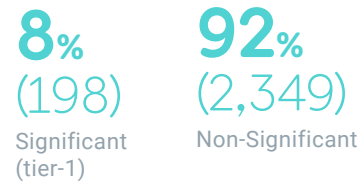
This allows for efficient and sustainable supply chain management, offering longer-term visibility and greater certainty to the supplier market.

Additionally, the Company has strengthened communication at all levels through transparency and proximity to the supplier. Procurement management begins with adequate supplier selection. Moreover, these suppliers must meet our contracting process requirements and observe the award criteria published in the specifications during the process.

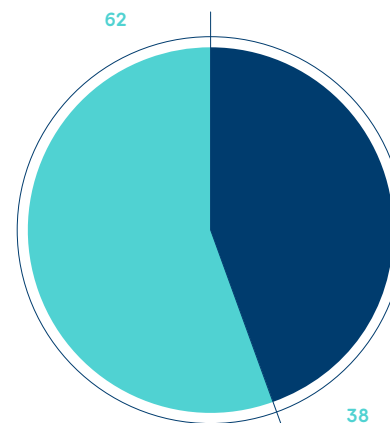
Throughout 2023, Redeia continued to develop and adapt internal documentation, aligning it with best practices and optimising its regulations by harmonising the General Contracting Conditions of its subsidiaries. In addition, it has sought to create standardised documents for all Redeia organisations, thus simplifying both supplier management and internal processes.

Significant Suppliers / %

Number of Suppliers



Certified Volume (% spend)



Suppliers with identified substantial actual negative impacts: 7

- From social audits due to the identification of ESG risks, with major non-conformities: 4. (4 Action Plans agreed and supported, none of the cases resulted in disqualification of the suppliers).
 - Corrective actions solved: 5 (100%). Not solved: 0 (0%).
- From incidents with ESG impact on occupational health and safety, environment, or ethics: 3.
 - With impact on occupational health and safety: 3. (3 Action Plans agreed and supported, resulting in a change of qualification status for the 3 suppliers, none of them disqualified).
 - With impact on the environment or ethics: 0.

Action plans with corrective measures have been implemented for 100% of the social audits and incidents that required it.

Significant Suppliers

Redeia pays special attention to its suppliers, categorising **tier-1 significant suppliers** as those who supply equipment, materials, services, or works for the transmission and telecommunications grid. Moreover, they must have been contracted under the following conditions within the last year: sole supplier due to technological issues, limited competition (less than three qualified suppliers, presence of a single supplier in the market, receipt of a single offer, or submission of a single technically valid offer), or a contracted amount exceeding €1 million for recurring services. Suppliers with identified ESG risk are also considered significant.

The Company's top 20 suppliers for the year (those with the highest certified amount), along with vendors for key technology supplies are also considered **significant suppliers**. A total of 198 significant suppliers are defined. Suppliers with identified ESG risk are also considered significant.

Non-tier 1 critical suppliers (subcontractors) are categorised as those who carry out work for

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NEW SUPPLIERS HAVE BEEN ADDED FOR **25** Supplies

an amount exceeding €100,000 within the year.

The number of subcontractors (non-tier 1 suppliers) considered critical was 59 out of a total of 1,224.

Result of Scouting Processes

	2020	2021	2022	2023
Supplies	29	8	7	25
New suppliers	61	28	29	93



In 2023, Redeia has mitigated the risk associated with significant suppliers by increasing our supplier portfolio to bring in competition through active supplier scouting. While scouting is carried out both nationally and internationally, the former option is encouraged as far as possible.

In 2023, several scouting processes were launched as part of our Optimal Portfolio objective in order to bring in high-quality, sustainable competition in highly relevant supplies for supply assurance. These focused on 14 supplies, and a total of 20 new supply sources were obtained for ten of them. Moreover, in 2023, scouting was conducted for an additional 16 supplies. As a result, 73 suppliers have been added to 15 supplies.

As well as the above, the following actions were taken:

- As part of our commitment to foster a local portfolio and encourage talent acquisition and retention, a series of actions were undertaken in the Canary Islands in 2023. These efforts aimed to achieve a better understanding of the region's unique characteristics and to stimulate interest among companies in becoming suppliers to Redeia, specifically for supplies such as civil construction works for lines and substations, earthworks, minor civil works, vacuum testing, and electromechanical assembly.
- Improvement of pre-emptive visibility of needs to allow for adequate planning and sizing to ensure supply. In 2023, 34 meetings were held with significant suppliers. / **ESRS G1-2 p. 12 / ESRS G1-2 p. 15 (a) / ESRS G1-2 AR 2 (g)**
- Annual social audit plan for suppliers with ESG risk for Redeia. 16 audits were conducted on suppliers with defined ESG risks.

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61.5% of suppliers within the ESG audit plan were audited. The plan will continue the next year.

- Mitigation actions related to country risk on integrity and human rights. As a result of the rising trend of factory relocation by European suppliers, it is now mandatory to submit a responsibility declaration stating that these factories meet all the ESG requirements expected of qualified suppliers for the supply to be awarded.
- Review of procurement strategies for key supplies to ensure that the needs outlined in the new 2021-2026 Electrical Planning are met. In 2023, 100% of planned requirements were reviewed, achieving better coverage of the Company's needs and expanding the supplier portfolio. This review affected 19.3% of the goods and

9.3% of the services identified as strategic.

Sustainability Criteria for Procurement

One of Redeia's priorities in 2023 has been to establish criteria that allow for the integration of sustainability requirements to be considered in procurement decision-making. The goal is to define a procurement model with key sustainability criteria for integration into supply chain processes (qualification, design, approval, bidding, awarding, etc.), resulting in a roadmap for a progressive implementation of the model.

This objective began with the analysis of the four equipment and materials supplies with the highest planned amount, which represented 55% of the total planned equipment and materials amount and 60.67% of CO₂ emissions calculated in our equipment and materials planning. These efforts have allowed us to propose key requirements for integration into our decision-making, as well as a methodology that will encompass the rest of the equipment and materials supplies.



Redeia aims to integrate sustainability criteria into at least 10 supplies by 2025 and 25 by 2030.



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In 2023, Redeia deployed the Supply Chain Security Management Model across 77 supplies, evaluating a total of 533 qualified suppliers.



In 2023, our suppliers' improved ranking in their ESG monitoring was used as a tiebreaker criterion in the decision-making process for service procurement awards, affecting a total amount of €363 million.

Additionally, Redeia, as a critical infrastructure manager, considers the comprehensive management of physical security, cybersecurity, and information security incidents as a strategic action for business continuity. To achieve this, suppliers play a key role; hence in 2023, the implementation of our supply chain security model continued across 77 services.

Over 7,000 security requirements were evaluated among a total of 533 suppliers, resulting in an average compliance rate of 72%.

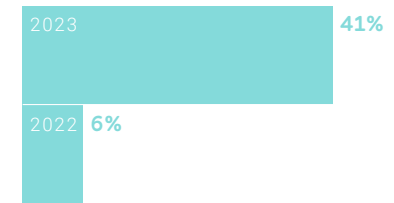
Promoting supplier development to enhance compliance with security requirements not only reduces risk but also aims to reduce their vulnerability through support in implementing robust governance. Therefore, in 2023, a series of supplier development actions were undertaken, including information requests from suppliers,



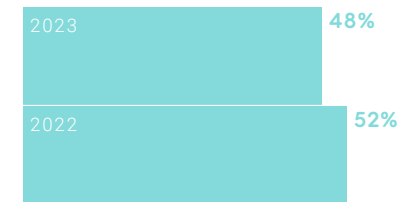
covering 28% of identified risk services. Additionally, a further supplier development initiative was carried out in the area of handling of Redeia's non-public information. More information about it can be found under section "Supplier Training and Development."

Furthermore, whenever feasible, procurement hirings are made through Sheltered Employment Centres to promote labour market integration for people with disabilities. / **ESRS S2-4 p. 32 (c)**. Sustainable procurement criteria are also encouraged through procurement of the electricity supply using green energy or 100%

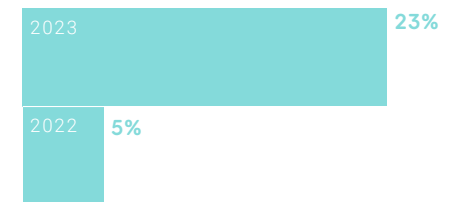
Percentage of orders where the model has been applied to risk orders managed during the year (indicator)



Percentage of suppliers that exceed 75% compliance with security requirements in tenders where the model has been applied (indicator)



Percentage of orders where the model has been awarded out of the total orders managed during the year



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43%

of total warehouses are supplied by photovoltaic panels

renewable origin guarantees. Moreover, a review of Redeia's various contracting frameworks for electricity supply was conducted to determine the most advantageous option for the Company considering market conditions, future prospects, and regulations.

Procurement and Logistics Management

Redeia is committed to sustainable logistics and transportation management through the service it outsources. In 2023, a self-consumption electricity system (consisting of photovoltaic panels) was implemented for logistics warehouses. Currently, 43% of total warehouses are supplied by this type of energy.

Our vehicle fleet has increased by 27% in response to increased investment requirements. As a result, CO₂ emissions per km of transportation have increased from 0.565 kg CO₂/km in 2022 to 0.571 kg CO₂/km in 2023. This increase is due to the use of trailers with greater cargo capacity and therefore higher consumption. However, efficiency has increased by 42%, resulting from the integration of next-generation vehicles.

During 2023, the Company decided to minimise transport to island regions, instead bringing necessary supplies closer to these areas by increasing warehouses by 10.6%, consolidating shipments, and thus



CO₂ emissions per economic volume of deliveries have decreased from 6.16 TCO₂/M€ in 2022 to 5.37 TCO₂/M€ in 2023, representing a 13% reduction due to Increased efficiency in transportation.



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reducing the amount of transports carried out.

Risks and Impacts in the Supply Chain

308-2 / 414-2

The current context demands Redeia to focus on and adhere to a sustainable supply chain management

model that helps promote ethical and sustainable practices across all processes and allows it to guarantee supply.

Sustainable Management of Risks and Impacts in the Supply Chain

Some of the most notable initiatives that Redeia addresses within the framework of sustainable supply chain management include the identification and continuous monitoring of risks and impacts regarding the sustainability of supplies and therefore, compliance with potential requirements. / **ESRS G1-2 p. 12 / ESRS G1-2 p. 15 (b)**

The primary risks are managed through existing management systems and regular audits, after which recommendations and areas for improvement are identified, analysed, and implemented, aiming for continuous process improvement. If a significant impact is identified, the Company can establish an action plan with the supplier, closely monitoring its implementation and reserving the right to take actions if necessary.



Primary Risks in the Supply Chain

Actions for Mitigation

Increase in equipment, materials, and services costs.

Review of contracting frameworks and process standardisation.

Risk of incidents (delays in execution or deliveries, stockouts, difficulty in retaining talent).

Increase in needs planning quality. Initiatives to adapt our supplier portfolio to our requirements.

Establishment of commercial relationships with suppliers located in countries with potential risks in terms of socio-occupational conditions and integrity.

Identification of impacts on supply sustainability. Including data security, physical security, and cybersecurity, through the implementation of our security model in the supply chain.

Strengthening controls on integrity and human rights for suppliers located in countries with high risks in these areas.

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Comprehensive Evaluation of Supplier Risks

Redeia conducts a comprehensive management of supplier risk that integrates business risk, economic-financial risk, and ESG risk from the time of their qualification for a specific supply and throughout the entirety of their activity.

Risk Assessment

- Economic-financial scope: (100% of qualified suppliers)

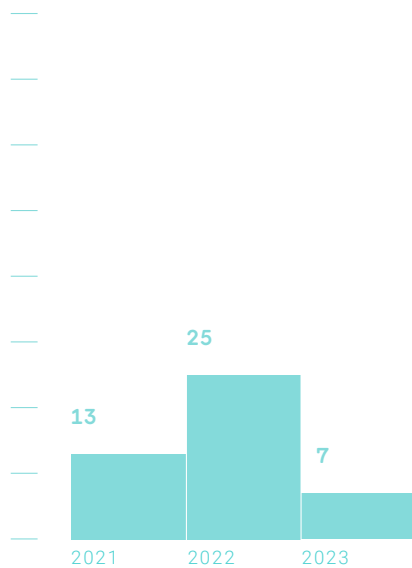
- Financial scoring. As part of its sustainability strategy, the Company is committed to continuing to work with suppliers experiencing financial difficulties.

However, it must also manage the risk associated with collaborating with a supplier in this situation.

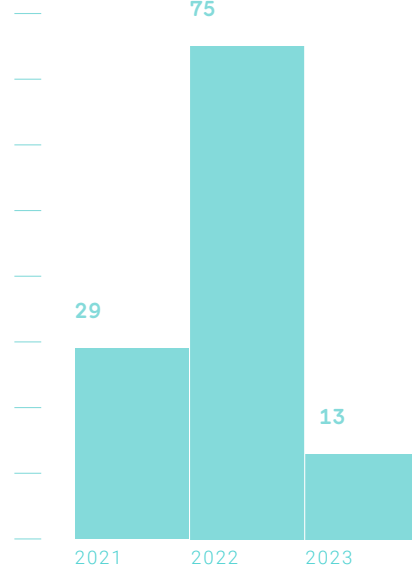
- Economic impact due to irregularities in payments to third parties or due to the supplier's failure to issue certifications in a timely manner, among others.

Annual monitoring of supplier financial difficulties / no.

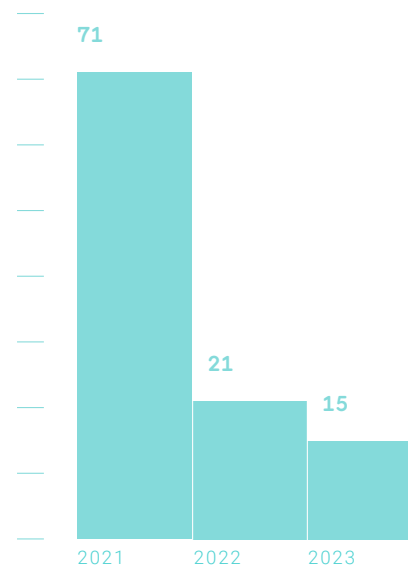
Encountered financial difficulties



Resolved financial difficulties



Total in financial difficulties



- Business scope (100% of qualified suppliers)

- Legal impact: due to the supplier or its parent company declaring bankruptcy, administrative resolution, or court ruling confirming or declaring insolvency, among others.

- Technical incidents related to incidents or accidents in the execution of supplies, works, and/or services, among others. In 2023, 41 technical incidents affecting 31 suppliers were managed, and 13 plans with improvement actions were defined. As a result of managing these incidents, 9 suppliers have had their qualification status modified, and 5 incidents with a finalised

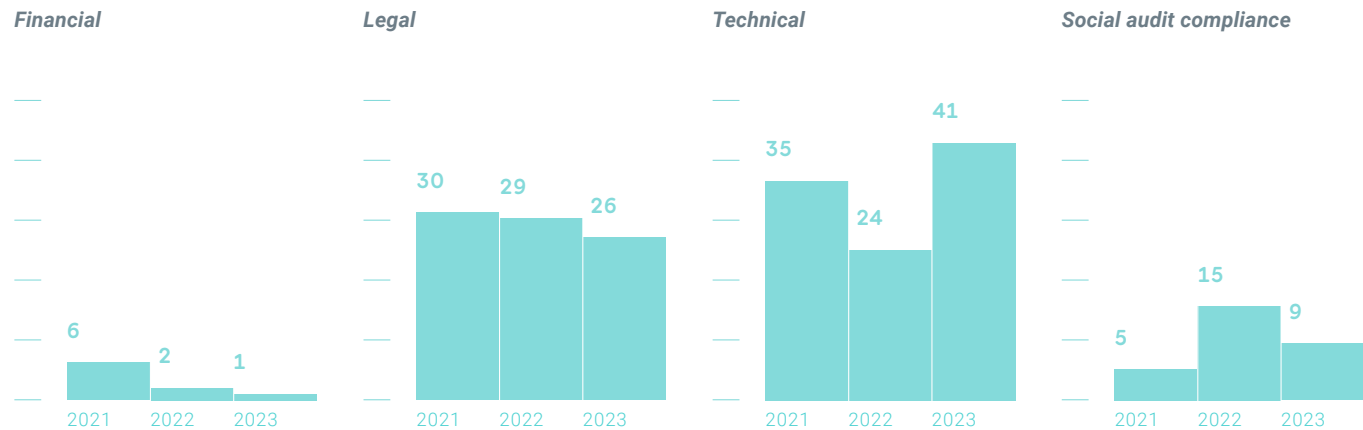
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status have had an impact on sustainability matters (specifically 2 in the environmental impact area and 3 in the occupational safety impact area). For 3 incidents an action plan has been agreed upon. For the remaining 2, the situation has been previously redirected. Eleven technical incidents were closed in 2023.

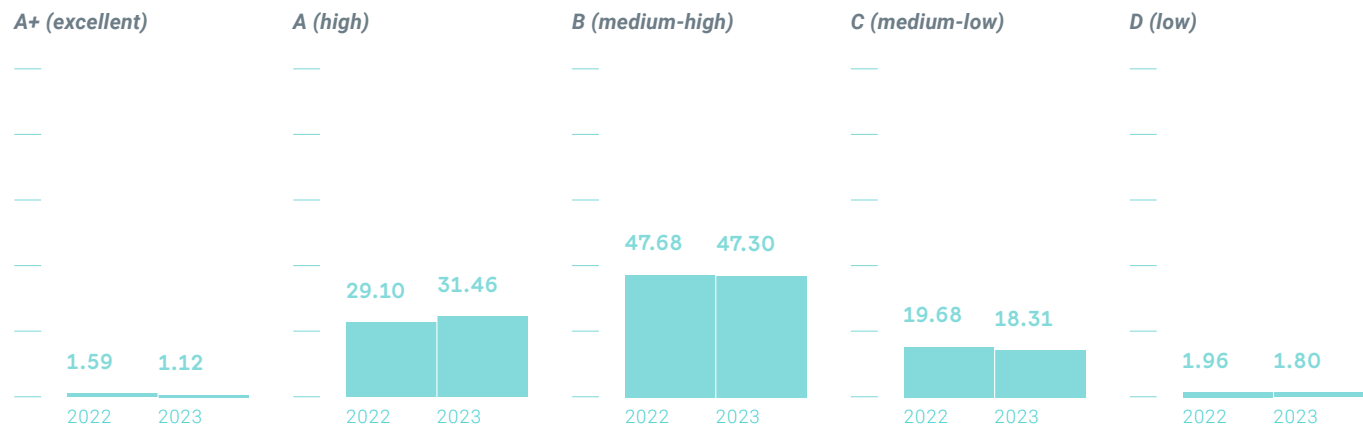
• ESG Monitoring

- Sustainability (ESG scoring): identification of the supplier's maturity level in terms of governance, social, and environmental aspects, as well as a comparison with the average obtained by suppliers within the RePro community. Suppliers of recurring supplies are continuously monitored through the RePro platform. Currently, 890 suppliers are being monitored (818 in 2022). In 2023, there was a 2.28% increase in suppliers ranked in the excellent and high levels compared to 2022. Where A+ is excellent / A is high / B is medium-high / C is medium-low / and D is low.

Incidents (annual evolution) / no.



ESG Scoring (annual evolution) / %



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- Findings regarding integrity (*screening*): mention of a supplier on an external list of international official sanctions, especially in matters of corruption and human rights violations. During 2023, the Company did not receive any reports of potential irregularities involving personnel employed directly by the service provider.

Additionally, it monitored 14 incidents regarding integrity, one of which was opened in 2023.

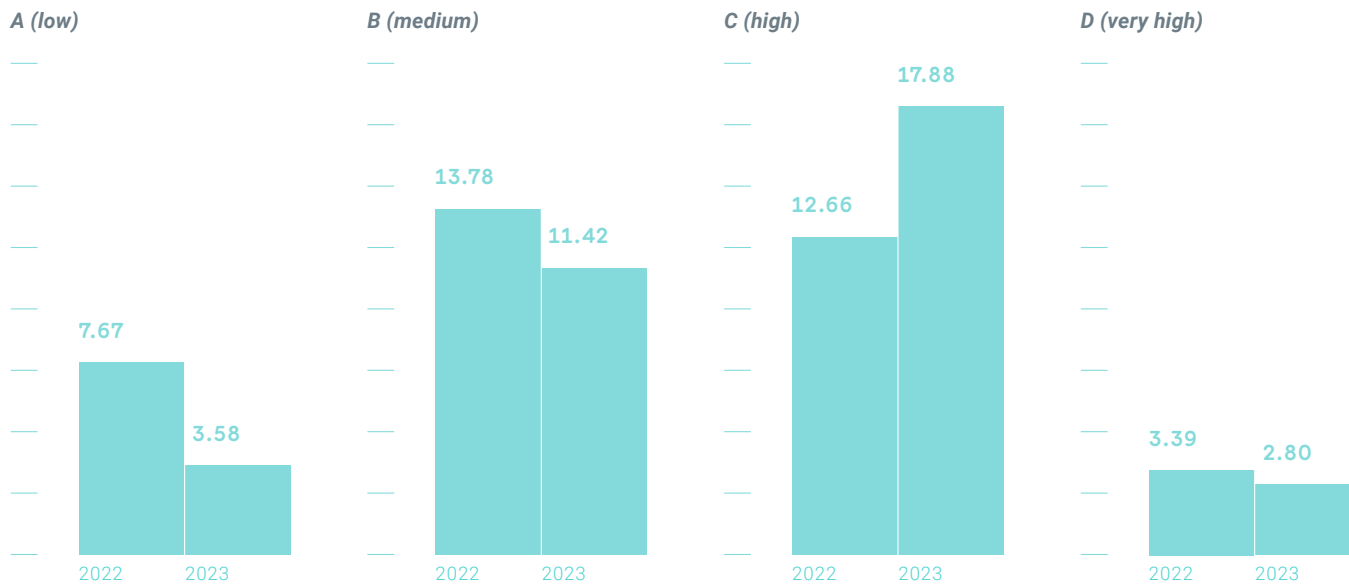
- Country risk. Suppliers whose location, registered office, tax residence, or bank account jurisdiction scores below 30 points in integrity according to the Transparency International

index published on 31 January 2023, or those who score below seven in human rights, according to the Human Freedom Index (Cato Institute), published on 26 January, 2023. In the 2023 period, 0 (0%) suppliers with country risk in terms of integrity and 12 (0.48%) human rights risk were identified in our supplier portfolio. To minimise this risk, Redeia conducts social audits and continuous monitoring. As a result of these actions, no supplier has been disqualified, and therefore, there has been no impact on the supply chain.

- Criminal risk, privacy, and cybersecurity (compliance scoring): assessment of the probability of a supplier complying with a standard.

- Compliance incident/social audits due to non-compliance with the Supplier Code of Conduct, lack of due diligence, reports to Redeia's Ethics Manager, or incidents found through continuous monitoring, leading to the identification of "major non-compliances",

Compliance Scoring (annual evolution) / %



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among others. The Company has conducted social audits on 52 suppliers. As a result of the audits, 22 action plans have been agreed upon with 12 suppliers, allowing for supplier development and confirming the implemented improvement. The results of these audits and their findings are shared internally, placing special emphasis on the detection of "major non-compliances". In 2022, the Company conducted social audits on 64 suppliers, agreeing on 29 action plans with 16 suppliers, and in 2021, the Company conducted social audits on 35 suppliers, agreeing on seven action plans with six suppliers.

/ ESRS G1-2 AR 2 (c) / ESRS G1-2 AR 2 (g)

The scoring associated with each of these three areas and the supplier's overall score allows us to assess their risk level (low, medium, high, or very high) for each domain, as well as their overall risk. Additionally, a report containing an executive summary with identified regulatory risks, rating metrics and scales, conclusions, and recommendations based on their compliance risk

assessment is shared with the supplier.

Risk Mitigation Actions / 2-25

Redeia conducts continuous monitoring from the start of supplier qualification until the supplier is no longer part of the supply chain risk mitigation database.

Risk Monitoring

- Business risk monitoring PRORED and RePro keep our supplier portfolio monitored through aspects such as being up to date with payments to the Spanish Tax Administration Agency, having civil liability insurance, or having sufficient capacity and resources, among others. In 2023, no suppliers were disqualified due to non-compliance found in this area.
- Economic-financial risk monitoring Axesor keeps 100% of our supplier portfolio monitored by focusing on

suppliers encountering insolvency or financial difficulties and irregularities in payments to third parties. In 2023, 15 suppliers in financial difficulties were identified (0.59% of the total qualified), and two suppliers had incidents due to non-payments to third parties (0.8% of the total qualified).

- ESG risk monitoring RePro monitors suppliers, providing a comparative view compared to registered companies.



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Different actions are taken depending on the area:

Actions in Environmental Matters

- Sustainable Procurement Model.
- Collaboration programme with suppliers for emission reduction. More information on this topic can be found in the **Climate Change** ↪ section of this report.
- Reduction of raw material consumption in production, substitution with recycled, renewable, or biodegradable materials, and use of these materials at the end of their lifespan, in line with Redeia's 2030 Circular Economy Roadmap. More information on this topic can be found in the **Circular Economy** ↪ section of this report.

Actions in Social Matters

- Promotion of safety for all individuals working at Redeia



facilities, as reported under **Healthy Organisation** ↪ section of this report.

- Promotion of the use of local suppliers.
- Identification of supplies that can be provided by sheltered employment centres.
- Diversity training.
- Initiation of social audits in case of risk.

Actions in Governance Matters

- Social audits on compliance with the Supplier Code of Conduct obligations and action plans in case of "non-conformity."
- Commitment to respecting human rights and a training programme focused on human rights management, in collaboration with the Spanish Global Compact Network.

This year, the Company has not received any complaints related to human rights respect in its supply chain, and no contracts or orders have been cancelled for this reason. / **ESRS S2-4 p. 32 (c) / ESRS S2-4 AR 31**

- Supply Chain Security Model (Cybersecurity and Privacy).
- Integrity and human rights due diligence model for third parties.
- Data protection compliance system.

As a result of ESG risk monitoring, no suppliers were disqualified due to non-compliance found in this area.

Thanks to these risk minimisation actions, and as a consequence of continuous monitoring, no supplier has increased our supply chain risk due to a change in their qualification status.

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The PRORED space provides agility and transparency of communication between Redeia and its suppliers, ensuring that the Company's expectations are effectively communicated to the vendor. This empowers them to carry out simple procedures autonomously and promotes supplier development.



Supplier Management

Supplier Qualification

308-1 / 414-1 / ESRS 2 BP-2 AR 2 / ESRS G1-2 AR 2 (c) / ESRS G1-2 AR 2 (d) / ESRS G1-2 p. 15 (b)

The purpose of Redeia at this stage is to address qualification requests from all companies, considering that no supply or service can be

awarded to a supplier who is not previously qualified.

The requirements expected of suppliers vary depending on the supply:

- When the Company deems that a supply must meet certain minimum requirements (certifications, previous experience, personnel, resources, etc.), a supplier profile is developed. Passing this profile is a prerequisite for qualification.
- For all supplies with defined minimum requirements, it is mandatory for the supplier to have ISO 9001 quality certification.
- For supplies with environmental impact, the supplier must have ISO 14001 environmental or equivalent certification.
- For supplies affecting safety and health, the supplier must have ISO 45001 or equivalent certification.

Additionally, within the framework of our Supply Chain Security Management Model, certificates in security matters are required: a valid certificate for the Information Security Management System (ISO/IEC 27001) and a valid certificate for the Business Continuity Management System (ISO 22301).

Redeia continuously reviews and updates the requirements expected from suppliers in terms of occupational health and safety, ethics and labour conditions, environment, and diversity, with the aim of implementing them in its qualification process. Likewise, it periodically analyses its supplier portfolio to identify those supplies where it would be convenient to bring in competition.

Through our unique PRORED web space (a communication space with the supplier accessible from the corporate website), the Company makes available to suppliers the tree in which all supplies, works, and services are published along with their profile. This allows them to familiarise themselves with the minimum requirements in advance

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before starting the qualification process, initiating registration, managing qualification files, and updating their company and contact information at any time.

Technical or business non-compliance in terms of sustainability that results in

incidents can turn out in a change in the supplier's qualification status and even lead to disqualification.

Subcontracting

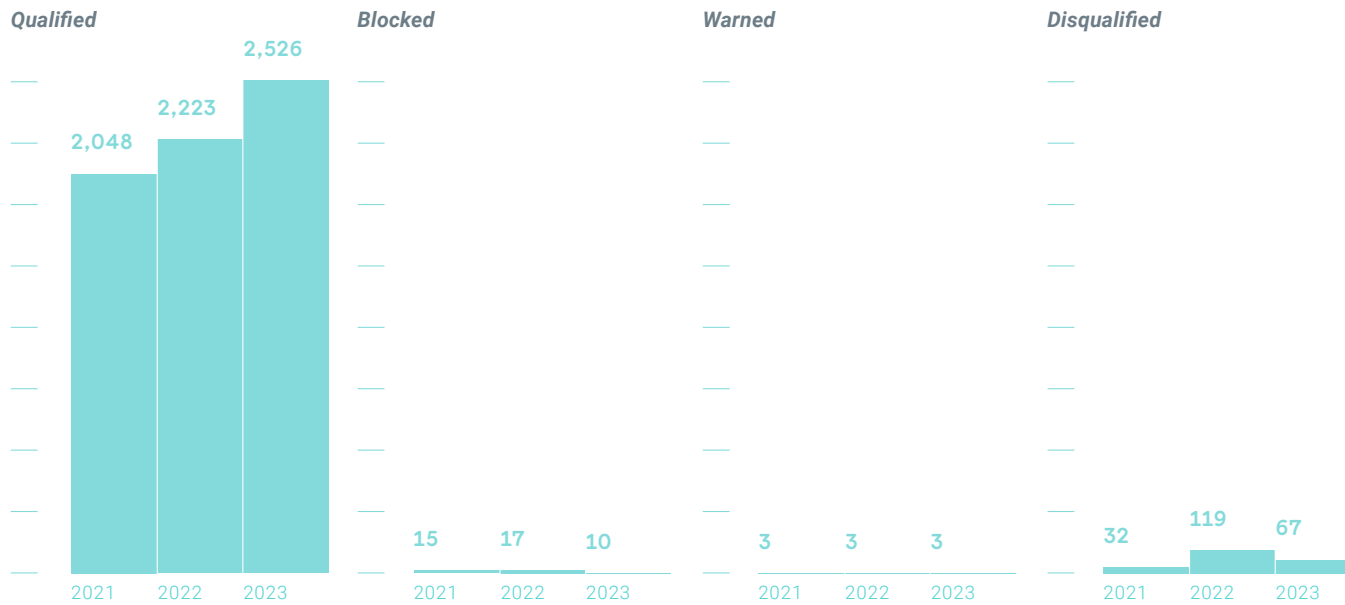
In its commitment to transfer its qualification requirements to tier 2 in the supply chain, the Company requires its subcontractors to comply

with the same requirements expected of awarded suppliers, who have therefore been previously qualified by the Company.

Requirements and controls prior to authorising subcontracting include:

- Evidence that payment conditions between contractors and subcontractors are in line with legally established conditions.
- Evidence of being up to date with payments to the Spanish Tax Administration Agency and Social Security.
- Certificate of registration in the REA (Register of Accredited Companies in the construction sector) or a Declaration of Responsibility stating that registration is not mandatory.
- Details of the activities involved in the requested subcontracting.

Suppliers by Qualification Status / no.



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- Completion of templates on the Subrogation Procedure, Security Procedure, and Communication with the Subcontractor in all aspects related to proper work execution. Templates should be signed by the contractor and the subcontractor.

In 2023, the average processing time for subcontracting files was 0.99 days since the documentation provided by the supplier is validated (0.74 days in 2022 and 0.75 days in 2021).

Supplier Payment

As part of its continuous improvement efforts, Redeia has implemented enhancements in its supplier invoice management and payment process, resulting in an average payment period to suppliers of Spanish companies within Redeia of 44 days in 2023 (41 in 2022), well below the legal maximum of 60 days according to Law 15/2010 of 5 July

(amended through the Second Final Provision of Law 31/2014 and the Third Additional Provision of Law 18/2022), which established measures to combat late payments in commercial transactions.

Supplier Training and Development

Redeia continuously identifies aspects and develops specific training programs that increase its suppliers' knowledge and maturity in certain areas, identify synergies, and promote collaborative work in achieving established goals.

In 2023, Redeia conducted a supplier awareness-raising campaign on security aspects. Titled "Handling of Redeia's non-public information", its aim was to reinforce understanding of this key aspect as well as provide training on the degree of implementation of its security model.



Communication with Suppliers

Redeia provides various communication channels for its suppliers to facilitate and improve vendor support. Among them, ASA (Supply Support and Assistance) is worth noting. This channel manages supplier queries, doubts, and complaints on procurement processes and offers clarifications on the contents of Redeia's Code of Conduct. In addition to this, the Company has the DÍGAME service and the Ethics and Compliance Channel. / **ESRS S3-1 p. 16 (b)**

In 2023, Redeia worked on improving ASA (Supply Support and Assistance) to increase the internal efficiency of supplier query and request management processes and of the requesting organisational units once it had been implemented.

Redeia's corporate website has a dedicated section for suppliers, which includes applicable regulations and processes, as well as information of interest to the supply chain, such as training and collaboration



In 2023,
327 suppliers
participated
in supplier
training
and devel-
opment pro-
grammes.



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During 2023, 3,891 supplier queries were addressed, with an average query management time across different groups of 0.37 days, significantly below the established target of one day.



programs or the results obtained in perception surveys, among others.

Supplier Perception Survey

Every two years, Redeia conducts a supplier perception survey to gain detailed insights into suppliers' expectations and perceptions of the Company's procurement process.

In 2022, the Company conducted its latest perception survey with a total of 350 suppliers, achieving an overall satisfaction rating of 7.4 points (out of 10). Based on this,

an action plan was developed.

Of the 3 actions outlined in the Action plan, efforts were carried out in two of them in 2023:

- Increased visibility of the 2023-2026 planning through the establishment of a recurring process for updating and disseminating information to suppliers.
- Strengthening communication and dialogue with suppliers by organising forums on various topics and meetings with key supply providers, as well as identifying specific actions to collaboratively work on in the short to medium term.

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The Annual Report on the Management of the Code of Conduct and Ethics sets out the circumstances arising in relation to Redeia's corporate ethics management system in 2023.

A.1

The Code of Conduct and Ethics, approved by the Board of Directors in May 2020 was modified in May 2023 for its adaptation to Law 2/2023, of 20 February, regulating the protection of persons reporting on infringements and anticorruption.

A.1 Executive Report on the Management of the Code of Conduct and Ethics in 2023

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Said code applies to the entire workforce as well as the members of the administrative bodies of the companies that make up Redeia, in the performance of their duties and responsibilities and is applied in all the companies in which Redeia has a majority shareholding, regardless of their geographical location or business activity.

It is worth mentioning that the members of the Company's governing and management bodies have received training in the area of ethics and compliance appropriate to their functions and responsibilities. Redeia also carries out periodic training activities in the field of ethics and compliance for members of the administration, management and control bodies, adapted to their roles and responsibilities.

DR 5 (b) / DR 21 (c)

Ethics Manager and Stakeholder Ombudsman

ESRS S1-3 p. 32 (e)

To ensure the awareness, application and enforcement of the Code of Ethics and Conduct, the Company appointed Carlos Méndez-Trelles García, General Secretary and member of Redeia's Board of Directors, as Ethics Manager and Stakeholder Ombudsman.

The responsibilities of the Ethics Manager are the following:

- Resolve enquiries regarding the Code of Conduct and Ethics.
- Prepare resolution reports in response to the claims submitted.
- Prepare a regular report to review the ethics management system and to propose improvements.

The functions assigned to the Ethics Manager include transferring any reports that could give rise to a criminal risk to Redeia companies, so that the Redeia Criminal and Anti-Bribery Compliance Committee, of which he or she is a member, may evaluate such complaints and, if



The Code of Conduct and Ethics provides ethical guidelines applicable to all Redeia employees, determining the ethical values and the principles and standards of conduct that must govern their business activity.



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The Ethics Manager is responsible for ensuring the understanding, implementation and enforcement of Redeia's Code of Conduct and Ethics, resolving enquiries, advising stakeholders and securing the processing of the submitted grievances.



necessary, initiate the investigation of the incident until it is clarified.

Whistleblowing and Compliance Channel

ESRS S1-3 p. 30 / ESRS S1-3 p. 32 (a) / ESRS S1-3 p. 32 (b) / ESRS S1-17 AR 103 (a) / ESRS S1-17 p. 103 (d) / ESRS S2-3 AR 23 / ESRS S2-3 AR 24 / ESRS G1-1 p. 10 (a) / ESRS G1-1 p. 10 (e)

To promote the application of the Code of Conduct and Ethics, the Whistleblowing and Compliance channel is available via the corporate website through which enquiries, grievances or suggestions can be submitted and conveyed to the Ethics Manager.

Regarding the whistleblowing system made available for detecting and handling possible non-compliances, grievances, enquiries and suggestions in 2023, 19 enquiries or grievances were submitted to the Ethics Manager, of which 15 were from internal stakeholders and four from external stakeholders. / **406-1**

The enquiries/grievances received referred to the following ethical principles:

- Management of conflicts of interest.
- Corruption and fraud prevention.



- Conservation and improvement of the environment.
- Protection of confidentiality of information and personal data.
- Continuous improvements to the customer experience.

In 2023, three reports were received regarding compliance with the Code of Conduct and Ethics. The details of each report are shown below:

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- Anonymous report regarding the corporate value 'integrity', motivated by an alleged preferential treatment of a supplier in a procurement process. The allegation was dismissed following an investigation, as no evidence was identified to prove the accusations. The case was reopened when the allegations against the same person were repeated. Once the investigation phase was concluded, it was decided to close the file on the grounds that there was no evidence of conduct breaching the Code of Conduct and Ethics.

- Report filed ex officio by the Ethics Manager, regarding the corporate value 'integrity', motivated by an alleged lack of transparency and equal treatment in the management of suppliers. Once the investigation phase of the grievance was completed, it was in the processing phase at the close of 2023.

- Anonymous report related to the corporate value "respect", motivated by an alleged conduct of moral



During 2023, the Ethics Manager did not receive any reports regarding breaches of the Code related to criminal risks and none of Redeia's companies were investigated or convicted by any court of law for infringements related to criminal risks.



harassment. Once the investigation phase was concluded, which was carried out by Redeia's Monitoring Body for the Prevention of Harassment in view of the nature of the complaint, the report was closed, as there was no evidence or insufficient evidence of harassment at work.

In 2023 no grievances regarding potential cases of corruption or money laundering by any of Redeia's companies have been recorded, and none of these companies have been investigated

Reports received in 2023 by area / n°

/ ESRS S1-17 p. 102 / ESRS S1-17 p. 103 (a) / ESRS S1-17 p. 103 (b) / ESRS S1-17 p. 104 (a) / ESRS S2-4 p. 36

Area	Number of reports
Corruption and bribery	0
Discrimination or harassment	1
Privacy (including customers)	0
Conflicts of interest	0
Transparent management of conflicts of interest.	2
Money laundering or insider trading	0
Human rights violations	0
Occurring in Redeia	0
Occurring in Redeia's value chain	0

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or convicted by any court of law for infringements related to criminal risks. / **ESRS G1-4 p. 22**

Whistleblowing and Compliance Channel Management System

ESRS 2 BP-2 AR 2

In 2023, Redeia carried out a project to adapt the Whistleblowing and compliance channel to legal regulations and best practices (Law 2/2023, of 20 February, regulating the protection of persons who report breaches of regulations and the fight against corruption, European Directive 2019/1937 on the protection of persons who report breaches of EU law and ISO 37002 on Whistleblowing Channel Management Systems). This action led to the approval of the **Ethics and Compliance Channel Management System and Whistleblower Protection Policy**, the purpose of which is to establish the principles and guarantees governing the Ethics and Compliance Channel Management System as a formal mechanism for communicating

queries and reports of non-compliance and irregularities. There has also been an update of the guidelines for the management system for the ethics and compliance channel and the formal appointment of Redeia's controller of the ethics and compliance channel (Ethics manager and stakeholder ombudsman).

The Company has a **Retaliation Protection Protocol** with the objective of protecting whistleblowers who submit a report through Redeia's Ethics and Compliance Channel Management System from potential retaliation, including threats of retaliation and attempted retaliation. The protocol establishes a framework for protection that can effectively address situations of risk and protect persons who use the Ethics and Compliance Channel Management System in good faith. This protocol is included in the Guide of the Ethics and Compliance Channel Management System, which has been distributed to the Company stakeholders through its internal and external webs. The Company regularly carries out

surveys to evaluate the perception, awareness and use of the Ethics and compliance channel by the people who form part of Redeia.

Redeia has also designed and implemented a **protocol for internal investigations associated with the Ethics and compliance channel**. Redeia carries out internal investigations in accordance with legal regulations and the commitments that the organization has accepted in the Code of Conduct and Ethics, its Compliance Policy and in the aforementioned Policy of the Ethical and Compliance Channel Management System and whistleblower protection, respecting the rights and freedoms of employees and third parties involved in the same. Training workshops have been run for the groups participating directly in these investigations to strengthen their knowledge and application of the protocol.

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With this action, Redeia provides common criteria for action that apply to the various group companies in investigations associated with the Ethics and Compliance Channel Management System, as well as the steps to follow in the investigation and the nature of the inspections to be made, among other aspects.

Culture of Ethics and Compliance / ESRS G1-1 p. 8

Promotes adequate awareness and disclosure actions to the entire organisation regarding the relevance and strategic nature that the Compliance System has for Redeia within the corporate integrity culture of the organisation.

During 2023, the Annual Compliance Culture Awareness and Training Plan was developed through different internal and external communication actions, including designing and disseminating training pills on key aspects of Redeia's Compliance System, Redeia's Ethics and Compliance Channel and managing conflicts of interest.



Additionally, Redeia has carried out specific training sessions for groups especially exposed to several theme areas, such as:

- Corruption and fraud prevention model: Redeia's zero tolerance.
- Internal investigations protocol on the Ethics and Compliance Channel Management System.
- Ethics and compliance in the scope of Artificial Intelligence.

Redeia provides the Company's professionals with the tools required to solve possible risk situations in the development of their functions and responsibilities, as well as the existing means for communicating any ethics and compliance-related issues. / **ESRS G1-1 p. 10 (g)** / **ESRS G1-3 p. 21 (a)** / **ESRS G1-3 p. 21 (b)**

In 2023, the Company set a leadership objective for all members of the organisation linked to the

dissemination of the corruption and fraud prevention model, 100% followed by the Company divisions.

Leadership goals are a tool to contribute to the development of the management skills Redeia needs to successfully face strategic challenges in the short, medium and long term. They are a key mechanism to involve the whole Redeia's executive team in the actions and critical changes essential to carry out the transformation through the leadership style.

Through the leadership style, the Company seeks to identify the goals over which executives have direct influence that are relevant according to the leadership needs at each time, such as the corruption and fraud prevention model.



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Integrity and transparency

ESRS G1-1 p. 10 (e) / ESRS G1-3 p. 18 (a)

The Code of Conduct and Ethics and the corresponding management system regarding enquiries and grievances, which include anti-corruption aspects, constitute an effective mechanism for detecting and dealing with possible cases of corruption and fraud.

As a result of Redeia's commitment to prevent any practice related to corruption, bribery or facilitation payments, the Board of Directors of the parent company approved in 2023 the updating of the 'Guide for the Prevention of Corruption: Zero Tolerance' as a crucial element of Redeia's integrity model.



In 2023, the Ethical Manager did not receive any grievance related to criminal risks and none of the companies of Redeia have been convicted and investigated by any court of law for breaches related to criminal risks.



It is intended to provide a guideline in the field of corruption prevention for all Redeia professionals, including the commitments and criteria for action that, to this end, shall govern their professional activity within Redeia. The guide provides Redeia employees with the tools for an adequate analysis of the circumstances and risks they may face in terms of corruption, making progress in the dissemination of the criteria and instruments available to the company for its eradication.



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Recognitions

In the field of external recognitions in relation to Redeia's Ethics and Compliance Management System, noteworthy in 2023, Redeia was a finalist in the Compliance Expansión Awards in the categories of "IBEX company with best practices in compliance" and "Best ethical initiative in compliance".

In addition to the above:

- Redeia stands out positively in the criteria on codes of conduct in the S&P evaluation for the Dow Jones Sustainability Index, achieving a score of 85 points out of 100 in this area in 2023.
- Leadership in 2023, in the 'Corruption Prevention' criterion, according to the ESG performance report prepared r. by Moody's, having obtained the highest score (87 out of 100 points) within its sector.



- Redeia positively stands out in the ISS- ESG sustainability index, obtaining a rating of "A" in the "Business Ethics" category and "A+" in the Code of Ethics and Conduct category.
- Redeia has been included among the four best companies in the IBEX 35 global ranking on transparency and good governance of the IBEX 35 prepared by the Haz Foundation.

Alliances

Among the initiatives in which Redeia has participated for the promotion of business ethics noteworthy is its status as a premium member of the 'Foro de integridad corporativa' (Corporate integrity forum) of the non-governmental organisation Transparency International Spain. Similarly, Redeia is a member of the Spanish Compliance Association (ASCOM).



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Regulation (UE) 2020/852 ⁽¹⁾ on Taxonomy aims to help channel capital towards activities that make a substantial contribution to achieving the European Green Deal objectives.

The European Commission published in 2018 its "Action Plan: Financing Sustainable Growth" initiating a comprehensive strategy on sustainable finance. One of the objectives of the Action Plan was to redirect capital flows towards sustainable investments to achieve sustainable and inclusive growth.

A.2 EU Taxonomy Information

(1) Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on establishing a framework to facilitate sustainable investment and amending Regulation (EU) 2019/2088.

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This Regulation establishes the criteria for determining whether an economic activity qualifies as environmentally sustainable for the purposes of establishing the degree to which an investment is environmentally sustainable.

The EU's environmental objectives, as set out in the Taxonomy Regulation, are as follows:

- a) climate change mitigation;
- b) climate change adaptation;
- c) the sustainable use and protection of water and marine resources;
- d) the transition to a circular economy;

- e) pollution prevention and control;
- f) the protection and restoration of biodiversity and ecosystems.

An economic activity shall be considered environmentally sustainable, i.e. it shall comply with the Taxonomy, when it contributes substantially to one of these six objectives, without causing significant harm to any of the other five and provided it is carried out in compliance with minimum social safeguards: the Organisation for Economic Co-operation and Development (OECD) guidelines on multinational enterprises, the United Nations (UN) guiding principles on business and human rights, and the core conventions of the International Labour Organization (ILO).

In June 2021, the Commission Delegated Regulation (EU) 2021/2139⁽²⁾ was published, establishing the technical screening

criteria for determining the conditions under which an economic activity qualifies as contributing substantially to climate change mitigation or adaptation and for determining whether that economic activity causes no significant harm to any of the other environmental objectives.

Furthermore, in July 2021, the Commission Delegated Regulation (EU) 2021/2178⁽³⁾ specifying the content and presentation of the information to be disclosed by undertakings subject to Articles 19a or 29a of Directive 2013/34/EU was adopted.

On 15 July 2022, the Supplementary Climate Delegated Act was published in the OJEU, which included, under strict conditions, specific gas and nuclear energy activities in the list of economic activities covered by the taxonomy.

(2) Commission Delegated Regulation (EU) 2021/2139 of 4 June 2021 supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council by establishing the technical screening criteria for determining the conditions under which an economic activity qualifies as contributing substantially to climate change mitigation or climate change adaptation and for determining whether that economic activity causes no significant harm to any of the other environmental objectives.

(3) Commission Delegated Regulation (EU) 2021/2178 of 6 July 2021 supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council by specifying the content and presentation of information to be disclosed by undertakings subject to Articles 19a or 29a of Directive 2013/34/EU concerning environmentally sustainable economic activities, and specifying the methodology to comply with that disclosure obligation.



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Finally, on 21 November 2023, Delegated Regulation (EU) 2023/2486⁽⁴⁾ was published, setting out the technical selection criteria for determining those activities that contribute substantially to the European Union's other non-climate environmental objectives: the sustainable use and protection of water and marine resources, the transition to a circular economy, pollution prevention and control, and the protection and restoration of biodiversity and ecosystems. This last Delegated Act also expands the economic activities that contribute to climate change mitigation and adaptation to climate change, and introduces amendments to the delegated act

on the dissemination of information on EU taxonomy.

The Taxonomy distinguishes between Taxonomy-eligible and Taxonomy-aligned economic activities as follows:

- a)** Eligible economic activity: that which is described in the delegated acts adopted as per Regulation (EU) 2020/852, irrespective of whether that economic activity meets any or all of the technical selection criteria set out in those delegated acts.
- b)** Taxonomy-aligned economic activity: economic activity that contributes substantially to one of the six EU environmental objectives (meets the established technical selection criteria), does not cause significant harm to any of the other five and is carried out in compliance with minimum social safeguards.

In the process of studying and analysing the degree of eligibility and alignment of Redeia's activities to the Taxonomy, the following steps have been taken:

- a)** Classification and grouping of the economic activities of Redeia companies.
- b)** Eligibility analysis of the activities identified by checking the activities included in the different Delegated Acts published.
- c)** Assessment of compliance with the technical criteria established by Commission Delegated Regulation (EU) 2021/2139 for the contribution to the environmental objectives of climate change mitigation and adaptation.
- d)** Analysis of the "Do No Significant Harm" (DNSH)⁽⁵⁾ Activities must not cause significant harm to the other EU environmental objectives defined in Regulation (EU) 2020/852.
- e)** Verification of compliance with minimum social safeguards.



(4) Commission Delegated Regulation (EU) 2023/2486 of 27 June 2023 complementing Regulation (EU) 2020/852 of the European Parliament and of the Council by establishing the technical selection criteria for determining under which conditions an economic activity is to be considered as making a substantial contribution to the sustainable use and protection of water and marine resources, to the transition to a circular economy, to the prevention and control of pollution, or to the protection and restoration of biodiversity and ecosystems, and for determining whether such economic activity does not cause significant harm to any of the other environmental objectives, and amending Commission Delegated Regulation (EU) 2021/2178 as regards the disclosure of specific public information on such economic activities.

(5) Do Not Significant Harm (DNSH).

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Based on the analysis performed, the following classification of eligibility and alignment of Redeia's activities is established.

Redeia companies	Redeia activities	Activity Description per Commission Delegated Regulation 2021/2139	Eligible activities	Aligned activities
Red Eléctrica de España S.A.U.	1 Activity. Management and operation of domestic electricity infrastructure. Includes electricity transmission, system operation and management of the transmission network for the Spanish electricity system.	Activity: 4.9. Transmission and distribution of electricity Description: Construction and operation of transmission systems that transport the electricity on the extra high-voltage and high-voltage interconnected system.	YES. 100% eligible	YES. 100% strategic
Red Eléctrica Internacional, S.A.U. (Redinter), REA, REDESUR, TESUR, TESUR 2, TESUR 3, TESUR 4, REDELNOR, CCNCM, RECH, REDENOR, REDENOR 2.	2 Activity. Management and operation of international electricity infrastructure Includes the construction and management of high-voltage electricity transmission networks in Latin America.	Activity: 4.9 Transmission and distribution of electricity Description: Construction and operation of transmission systems that transport the electricity on the extra high-voltage and high-voltage interconnected system.	Yes. 100 % eligible	NO
Hispasat Subgroup (Hispasat)	3 Activity. Telecommunications Satellite Business	Activity not covered by Commission Delegated Regulation 2021/2139	NO	NO
Redeia Infraestructuras de Telecomunicación, S.A.U. (Reintel)	4 Activity. Telecommunications (fibre optics)	Activity not covered by Commission Delegated Regulation 2021/2139	NO	NO
Other Redeia companies	5 Activity. Other businesses, Corp. and Adjustments	Activity not covered by Commission Delegated Regulation 2021/2139	NO	NO

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Analysis of the eligibility of the activities carried out by Redeia

Based on the analysis performed, the following classification of eligibility and alignment is established. Redeia's activities that are eligible according to the Taxonomy are as follows:

- Management and operation of domestic electricity infrastructure (4.9 Activity)
- Management and operation of international electricity infrastructure (4.9 Activity)

Telecommunications activities carried out by Hispasat and Reintel are not considered eligible as they are not included in any of the Delegated Acts published to date.

Considerations on climate change adaptation

The first two activities are included in both Annex I and Annex II of the Delegated Regulation 2021/2139 (see footnote 8 on page 49), being eligible for the climate change mitigation and adaptation objective through activity 4.9.

In the following section, "Compliance with the technical criteria for substantial contribution to the climate change mitigation objective", we will focus on Redeia's contribution to activity 4.9 to the climate change mitigation objective. However, it is important to highlight the role of Red Eléctrica de España S.A.U., as a whole, is a key element in the adaptation of the energy system to the risks derived from climate change.

The effects associated with climate change could physically affect the electricity transmission facilities and

influence future patterns of energy generation and consumption, which would have repercussions on Red Eléctrica's activity as a company.

Red Eléctrica carried out in 2023 a new identification of its Risks and Opportunities derived from climate change, and has assessed, prioritised and identified improvements to be implemented in 2024.

The exercise of identifying physical climate risks has been carried out considering the classification of climate-related hazards from the list in section II of Appendix A of the Delegated Regulation 2021/2139.

The identified physical risks have been assessed by considering the criteria of exposure, sensitivity, and adaptive capacity. Different physical scenarios have been considered in the analysis.

Climate-related risks are assessed taking into account the short, medium and long term (the most important changes and impacts are expected for the end of the century), taking as a reference the



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RCP (Representative Concentration Pathways) scenarios of the Intergovernmental Panel on Climate Change (IPCC). Consequently, the entire lifetime of the projects is considered in the assessment (the lifetime of transport projects is at least 30-40 years).

In the case of Spain, the projections developed by the State Meteorological Agency (AEMET) for the most important scenarios of the IPCC fifth report (AR5) have been considered.

As a result of the 2023 assessment process, the following main physical risks have been defined:



Adaptation measures applied to minimise the risk of affecting outdoor facilities due to extreme events consist of the development of wind maps and revision of construction parameters, reinforcement of vulnerable lines, the development and implementation of contingency plans (including the availability of emergency support), and the optimisation of maintenance work (e.g. MANINT Project - Intelligent Maintenance).

The adaptation measures applied to minimise the risk of fires in lines and substations are based on the optimisation of maintenance plans for safety lanes (VEGETA project), fire prevention procedures, early fire detection measures (PRODINT project), training, awareness raising and development of emergency plans.

Physical Risks

	Year 2022	2026	2030	RCP 4.5	2050 RCP 8.5
Damage to transport network equipment that is out in the open	MB	N/A	N/A	MA	MA
Damage to overhead power lines due to extreme winds	A	A	A	A	A
Damage to lines and substations due to fire	MA	MA	MA	MA	MA
Decreasing efficiency of PV generation due to rising temperatures	B	N/A	B	MB	MA
Reduced availability of water resources for hydropower generation	B	N/A	MB	MA	A
Increase in work absenteeism associated to climate change.	B	B	B	B	MA

A: High / MA: Medium-high / B: Low / MB: Medium-low / N/A: Not applicable

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In addition, the following measures are planned for the physical risks identified for 2050:

- In order to prevent damage to outdoor equipment in the transmission network, it is planned to carry out a detailed study of temperature changes by region in order to determine whether changes to the technical specifications of the equipment are necessary.
- Regarding the decrease in the efficiency of photovoltaic generation due to rising temperatures and the reduction in the availability of water resources for hydroelectric generation, we are working on the development of flexibility mechanisms and measures to cover demand.

The management of climate-related risks is integrated into the company's risk management system, so the established governance model is applied to this type of risk.

Currently, work continues to establish and differentiate with the necessary accuracy, the proportion of the activity of Management and Operation of national electricity infrastructures that contributes substantially to the climate change adaptation objective. As a result, this activity is currently considered eligible but not aligned to the climate change adaptation objective.

Considerations on Protection and restoration of biodiversity and ecosystems

In addition to the eligible activities described above, Redeia carries out environmental improvement actions and recovery and conservation projects. This activity is considered to be included in Annex IV of the Delegated Regulation 2023/2486, through activity 1.1. This activity is defined as: "Initiating, developing and carrying out, on its own account or on a commission or contract basis, conservation activities, such as recovery activities aimed at maintaining or improving habitat conditions and trends of terrestrial, freshwater and marine habitats,



ecosystems and related populations of species of fauna and flora".

The protection and conservation of biodiversity has always been a priority aspect of the Company's environmental management, which has a specific commitment to biodiversity management, including the objective of generating a positive impact on biodiversity in the territories where it operates by 2030.

Therefore, according to the description mentioned above, all environmental improvement actions could be considered eligible activities, and recovery and conservation projects carried out in collaboration with the administration, non-governmental organisations and other bodies, as well as specific measures in the field of new electricity installation projects, aimed at improving terrestrial and marine habitats, ecosystems and species of flora and fauna, could be considered as eligible activities.



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At present, however, it is not possible to establish an eligibility ratio for these activities, and the information is not available with a sufficient degree of accuracy to be able to account for their key performance indicators.

Alignment analysis of the activities carried out by Redeia

For the eligible activities described above, an assessment of compliance with the technical criteria of the climate change mitigation and adaptation objectives has been carried out. From this analysis, we conclude that Redeia's activity aligned with EU Taxonomy is:

- Management and operation of domestic electricity infrastructure.

This activity contributes substantially to the EU's climate change mitigation objective, as it complies with the technical eligibility criteria set out in Delegated Regulation 2021/2139.

Compliance with the technical criteria for substantial contribution to climate change mitigation objective

The activity of electricity transmission at the national level meets the criteria ⁽⁶⁾ a) and b) defined in point 4.9 of Annex I of Delegated Regulation 2021/2139, as it belongs to the interconnected European system, and the new electrical power connected to the transmission grid, from year 2017 to date, is exclusively renewable.

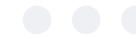
The operation of the national electricity system in turn meets criteria d) and e) ⁽⁷⁾.

The operation of the electricity system is playing a leading role in the energy transition by taking on the challenge of integrating renewable energies, new energy uses and flexible assets into the system.

As the system operator, Red Eléctrica is working to integrate the largest possible amount of renewable energy under safe conditions. This type of energy is controlled and monitored via the

CECRE (Control Centre of Renewable Energies). This Centre makes it possible to reduce CO₂ emissions, thanks to the fact that demand can be covered using this kind of energy without the security or quality of the supply being affected.

On the other hand, in order to facilitate the incorporation of non-manageable energies and prevent the wastage of energy generated when demand is low, Red Eléctrica is working on the development of energy storage tools, based not only on pumped-storage hydroelectric systems but also on other technologies (R&D+i). To this end, it carries out prospective assessments of the impact of new storage facilities on the integration of renewables, identifies the technical or management characteristics necessary for greater integration, and, as a result of both, makes proposals of a normative and regulatory nature to the competent administration. These systems will also contribute to a notable improvement in the efficiency of the electricity system as a whole and will help optimise the use of the electricity infrastructure.



(6) Criteria defined in point 4.9 of Annex I to Delegated Regulation 2021/2139:

1. The transmission and distribution infrastructure or equipment is located in an electricity system which complies with at least one of the following criteria:
a) the system is the interconnected European system, i.e. the interconnected control areas of the Member States, Norway, Switzerland and the United Kingdom, and their subordinate systems;
b) more than 67 % of the newly activated generation capacity in the system is below the generation threshold value of 100 g CO₂ e/kWh, measured on a life-cycle basis according to the criteria for electricity generation, over a rolling five-year period;
c) the average emissions factor of the system network, calculated as the total annual emissions from power generation connected to the system, divided by the total annual net electricity production in that system, is below the threshold value of 100 g CO₂ e/kWh, measured on a life-cycle basis in accordance with the electricity generation criteria, over a successive period of five years.

(7) (d) construction/installation and operation of equipment and infrastructure, where the main objective is to increase the generation or use of renewable electricity generation.
e) installation of equipment to increase the control and observation capacity of the electricity system and to enable the development and integration of renewable energy sources.



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Assessment of compliance with the “Do No Significant Harm” (DNSH) principle

Redeia's activities do not have a significant impact on the other environmental objectives defined in the Taxonomy Regulation.

Sustainable use and protection of water and marine resources.

Redeia's activities do not have any significant impact on this environmental objective, taking into account both the direct effects and the main indirect effects throughout the life cycle. No risks of environmental degradation related to the preservation of water quality have been identified, nor have significant impacts on the good ecological status or potential of bodies of water (surface water and groundwater) or on the good environmental status of marine waters.

During the process of designing the facilities, a detailed study is carried out to avoid any type of impact on surface watercourses. As regards groundwater, numerous preventive and corrective measures are implemented to prevent groundwater contamination by leaks or spills of oils, fuels and hazardous substances. Containment systems (especially for power machines with large quantities of oil inside) and protocols for immediate response to potential

events are in place to reduce the consequences of accidents, should they occur.

Transition to a circular economy.

Redeia works together with the stakeholders in its value chain so that the equipment and materials used in all its activities are produced from reused or recycled materials and that, at the end of their useful life, they are also recycled, reused or recovered, thus closing the circle of sustainability for all the equipment and materials used.

In terms of waste management, the objective has been set for 2030 to achieve the reduction, reuse, recycling or energy recovery of all waste generated. To this end, an action plan is in place to recover 100% of the waste generated.

Pollution prevention and control. Construction activity.

The principles described in the CFI's⁽¹⁵⁾ Environmental, Health, and Safety Guidelines for Electricity Transmission and Distribution are followed in all construction activities for electricity transmission network facilities.

Red Eléctrica has also implemented an Environmental Management System

(EMS) (certified under ISO⁽¹⁶⁾ 14001 and the EMA⁽¹⁷⁾). The ISO certifications cover the CFI guidelines.

During the construction phase, the necessary preventive and corrective measures are implemented to minimise the project's potential effects. Environmental monitoring programmes are defined and developed to guarantee the effectiveness of the established measures. These are applied during the construction of the facilities and in the early years of their operation, and facilitate the definition of new measures if necessary. The environmental monitoring of construction sites supervises the work done by contractors to meet environmental requirements.

Environmental monitoring of works and “environmental certification” (contractors must meet environmental requirements for full certification of construction works) are very important to ensure alignment with environmental criteria.

Pollution prevention and control. PCB.

Red Eléctrica has no direct relationship with PCBs. The power equipment owned by Red Eléctrica does not contain PCBs.

Pollution prevention and control. Electromagnetic fields.

The activities comply with the applicable standards and regulations to limit the effects of electromagnetic radiation on human health. Thanks to the criteria applied in the design of the facilities, the levels of electric and magnetic fields (EMF) are kept below those recommended by the Council of the European Union⁽¹⁸⁾.

Measurements give maximum levels (at the closest point from the ground to the conductors) ranging from 3-5 kV/m for the electric field and 1-15 µT for the magnetic field on 400 kV lines. In addition, the field strength decreases very rapidly as the distance to the conductors increases: at a distance of 30 metres, the electric and magnetic field levels range from 0.2-2.0 kV/m and 0.1-3.0 µT, respectively, and usually are less than 0.2 kV/m and 0.3 µT from 100 metres away.

⁽¹⁵⁾ Corporate Finance Institute.

⁽¹⁶⁾ International Organization for Standardization.

⁽¹⁷⁾ Eco-Management and Audit Scheme.

⁽¹⁸⁾ Official Journal of the European Communities 1999/519/EC: exposure limit values for the general public in places where they may remain for a considerable time, of 5 kV/m for the electric field and 100 µT for the magnetic field.

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Assessment of compliance with the “Do No Significant Harm” (DNSH) principle

continued

In the case of 220 kV lines, these levels are lower, ranging between 1-3 kV/m for the electric field and 1-6 μ T for the magnetic field at the closest point to the conductors. At a distance of 30 metres, the electric and magnetic field levels range between 0.1-0.5 kV/m and 0.1-1.5 μ T, and are generally lower than 0.1 kV/m and 0.2 μ T from 100 metres away.

Protection and restoration of biodiversity and ecosystems.

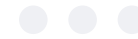
All Redeia projects are assessed from an environmental perspective, and the competent environmental authorities are informed and requested to approve them, even in the case of projects that are not legally required to be subjected to the environmental impact assessment procedure.

Most of Redeia's projects are subject by law to this environmental impact assessment procedure, and it is carried out in accordance with Directive 2011/92/EU, state legislation (Law 21/2013 of 9 December 2013 on Environmental Assessment) and applicable regional regulations.

Where the environmental impact assessment is carried out, the required mitigation and compensation measures are implemented to protect the environment and, therefore, biodiversity. These measures encompass those established by the environmental body and included in the project's environmental authorisations.

For sites/operations located in or near biodiversity-sensitive areas (including the Natura 2000 Network of protected areas, UNESCO World Heritage sites and Key Biodiversity Areas (KBAs), as well as other protected areas), an appropriate assessment, where applicable, is conducted, and the necessary mitigation measures are implemented based on its conclusions.

Those projects that may directly or indirectly affect Natura 2000 Network sites are subject to the environmental assessment procedure, even if their thresholds do not reach those defined in the Annexes of Law 21/2013 on Environmental Assessment.



Compliance with minimum social safeguards

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Redeia has an explicit and public commitment to promoting and respecting human rights in all its activities and in all the territories and countries where it operates.

The Company pays special attention to vulnerable groups, and as such instils this in the corporate culture through the Ten Principles for respect for human rights, included in its Commitment to the promotion of and respect for human rights, the Code of Conduct and Ethics and the Sustainability Policy.

With a view to extending this behaviour throughout the supply chain, the human rights obligation is extended to suppliers through the Code of Conduct for Suppliers. In the development of these Principles and Codes, human rights recognised worldwide in national and international laws and benchmarks have been taken into account:



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- OECD Guidelines for Multinational Enterprises
- OECD Guidelines for Responsible Business Conduct.
- The UN Guiding Principles on Business and Human Rights.
- International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work.
- The eight ILO core conventions.
- International Bill of Human Rights.

In addition, the Company develops the necessary tools in terms of due diligence in integrity and human rights, both for its own activities and in its relations with third parties, in order to mitigate the risk of Redeia being linked to third parties associated with conduct which is not in line with its ethical values. To such end, since 2013, it has carried out periodic due diligence analyses that involve all Group companies in order to identify possible risks stemming from its direct and indirect activity.

For more information, see section 11.5 "Information on respect for human rights" and section 11.6 "Information on anti-corruption and anti-bribery" of the Statement of Non-Financial Information of this Management Report.

KPIs: Turnover, CapEx and OpEx Associated with Taxonomy-aligned activities

In July 2021, the European Commission's Delegated Regulation 2021/2178, implementing Article 8 of the Taxonomy Regulation concerning the transparency of undertakings in non-financial statements, was published. This Regulation specifically sets out the environmentally sustainable economic activities and the methodology to comply with the Taxonomy disclosure obligation.

Annexes I, II, III, IV, V, VII, IX and X of Delegated Regulation 2021/2178 have recently been amended following Annex V of Commission Delegated Regulation (EU) 2023/2486, published on 21 November 2023, extending the coverage of the disclosure



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of information on economic activities contributing to the other environmental objectives of the European Union: sustainable use and to the protection of water and marine resources, to the transition to a circular economy, the prevention and control of pollution, or to the protection and restoration of biodiversity.

Article 8 of the Taxonomy Regulation states that non-financial companies will have to disclose information on:

- a) The proportion of its turnover (Net Turnover - NTI) that comes from products or services related to economic activities that are considered environmentally sustainable according to the Taxonomy Regulation.
- b) The proportion of their capital expenditure (CapEx) and the proportion of their operating expenditure (OpEx) related to assets or processes associated with economic activities that qualify as environmentally sustainable under the Taxonomy Regulation.

The quantitative and qualitative information to be reported (KPIs) and the criteria for preparing such indicators are also described.

In relation to the calculation of KPIs, Annex I of Commission Delegated Regulation 2021/2178 and Annex V of Delegated Regulation (EU) 2023/2486, set out the content of the key performance indicators to be disclosed by non-financial firms, specifically specifying that the following information should be reported for each of the indicators:

Information to be reported for each KPI regarding the Company's results

Turnover (Revenues)

The proportion of turnover, to be calculated as the share of net turnover derived from products or services, including intangible assets, associated with Taxonomy-aligned economic activities (numerator), divided by net turnover (denominator). This applies to both eligible activities (Red Eléctrica) and eligible activities (electricity transmission business in Peru and Chile).

Investments in fixed assets (CapEx):

The denominator shall include additions to tangible and intangible assets during the reporting period before depreciation, amortisation and any revaluations, including those resulting from revaluations and impairments, for the relevant period, excluding changes in fair value. The denominator shall also include additions to tangible and intangible assets resulting from business combinations.

The numerator is equal to the part of the asset investments included in the denominator that are related to assets or processes associated with economic activities that substantially contribute to any of the EU environmental objectives. This applies to both eligible activities (Red Eléctrica) and eligible activities (electricity transmission business in Peru and Chile).

Operational expenditure (OpEx):

The denominator shall include direct non-capitalised costs that relate to research and development, building renovation measures, short-term leases, maintenance and repairs, and any other direct expenditures related to the day-to-day maintenance of assets of property, plant and equipment by the undertaking or third party to whom activities are outsourced that are necessary to ensure the continued and effective functioning of such assets.

The numerator shall include the part of the operational expenditure included in the denominator which: a) is related to assets or processes associated with Taxonomy-aligned economic activities, including training and other human resources adaptation needs, and direct non-capitalised costs that represent research and development. This applies to both eligible activities (Red Eléctrica) and eligible activities (electricity transmission business in Peru and Chile).



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The procedures followed to determine the numerator and denominator of each of Redeia's key indicators comply with the considerations set out in Annex I of Delegated Regulation 2021/2178 and Annex V of Delegated Regulation (EU) 2023/2486.

Likewise, the accounting regulations to which it refers in terms of

INCN, CapEx to Revenue and OpEx correspond to the accounting regulations applicable to Redeia. Therefore, it has not been necessary to make any adaptation or interpretation in this respect.

Based on the foregoing, Redeia's information for 2023 and 2022, in accordance with the Taxonomy Regulation is as follows:.

The percentages assigned to the contribution to the objectives of climate change mitigation and adaptation included in Appendix I "Information on KPIs".

These templates are in line with Annex V of Commission Delegated Regulation 2023/2486 of 27 June 2023 amending Delegated Regulation (EU) 2021/2178 as regards the disclosure of specific public information on these economic activities.

The criteria applied to calculate Redeia's KPIs are developed below.

Eligible and Aligned Activities. KPIs

These activities are in line with the business carried out by Red Eléctrica

	2023	2022
Revenue	78.5%	79.2%
CapEx	83.4%	76.7%
OpEx	88.9%	90.0%

Eligible and Non-Aligned Activities. KPIs

These activities relate to the electricity transmission business carried out by the subsidiaries in Peru and Chile

	2023	2022
Revenue	3.6%	3.5%
CapEx	0.6%	4.3%
OpEx	4.8%	4.2%

Explanation of the KPIs

As set forth in point 1.2. on Specifications of the disclosures accompanying the KPIs of non-financial undertakings, Delegated Regulation 2021/2178 of the European Commission implementing Article 8 of the Taxonomy Regulation.

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Determination of numerator and denominator of KPIs

Point 1.2.1. of the Regulation states that non-financial undertakings shall explain:

- a) How turnover, capital expenditure and operating expenditure were determined and allocated to the numerator;
- b) The basis used to calculate turnover, capital expenditure and operating expenditure, including any assessment made when allocating revenues or expenditures to different economic activities.

In carrying out the calculation of the ratio of Revenue, CapEx and OpEx aligned with the Taxonomy, in relation to the Group total, the following steps have been taken:

1. The Taxonomy-aligned activities have been identified. As detailed above, these activities are as follows:

- Management and operation of domestic electricity infrastructure (4.9 Activity).
- Management and operation of international electricity infrastructure (4.9 Activity).

2. Of those eligible activities, activities aligned with the taxonomy have been identified. As detailed above, these activities are as follows:

- Management and operation of domestic electricity infrastructure (4.9 Activity).

3. The companies that carry out these activities have been identified within the consolidated Group:

- Management and operation of domestic electricity infrastructure: Red Eléctrica.

4. Within Red Eléctrica, we have analysed which activities or businesses meet the criteria to be

identified as Taxonomy aligned activities.

The activities carried out by Red Eléctrica are classified as follows:

- a) Electricity transmission (Taxonomy-aligned activity).
- b) System operation, mainland and non-mainland (Taxonomy-aligned activity).
- c) Other activities. Supplementary activities carried out by Red Eléctrica related to its main activities of electricity transmission and system operation (Taxonomy-aligned activities).

In view of the foregoing, all activities carried out by Red Eléctrica are considered Taxonomy-eligible and Taxonomy-aligned activities.

In relation to Revenue, since the description provided by

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the Regulation meets the accounting criteria for the classification of "Revenue" in the financial statements, this figure was considered directly, net of consolidation adjustments. The consolidated Revenue is included in note 23 of the notes to the consolidated financial statements for 2023.

As regards CapEx, the description included in the Regulation matches that relating to the accounting of additions to fixed assets. Therefore, this figure from Red Eléctrica's annual accounts was considered directly. Consolidated CapEx is shown in note 7 of the consolidated annual accounts for the year ended 31 December 2007.

In relation to OpEx, since the Regulation determines that only activities that relate to research and development, building renovation measures, short-term leases, maintenance and repairs, and any other direct expenditures related to the day-to-day maintenance of assets of property, plant and equipment must be considered, we differentiated from

the total expenditure, those that meet the definition mentioned above.

With regard to the OpEx of the activities of Management and Operation of National Electricity Infrastructure (an activity carried out by Red Eléctrica) and Management and Operation of International Electricity Infrastructure (an electricity transmission activity carried out in Peru and Chile), it should be noted that all the activities carried out by the Group companies that engage in this activity correspond to actions related to the proper performance of their business. For this reason, in determining the OpEx, all the expenses incurred by the companies were taken into account (supply expenses, other operating expenses, personnel expenses from which self-constructed assets have been deducted as they are considered in the CapEx figure).

As regards the OpEx denominator, in the case of Red Eléctrica de España, and for the electricity transmission activities carried



out in Peru and Chile, the same figure was considered as in the case of the numerator, and for the other Group companies, their asset maintenance costs were considered. Based on the above, the activities carried out by Reintel and Hispasat were also considered.



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As laid down in the Regulation, and in relation to the calculation of the numerator of the ratios it was ensured that Taxonomy-aligned activities were considered only once, as they are specific activities carried out by Red Eléctrica, and not by other Group companies, nor were these activities duplicated.

In the case of the denominator, the Revenues, CapEx and Taxonomy-aligned OpEx figure used relates to the figure recorded in the Group's consolidated financial statements, in the case of Revenues and CapEx. Likewise, in the case of OpEx, it was ensured that duplicate expenses were not included between group companies.

5. After identifying the Taxonomy-aligned activities, the Revenues, CapEx and Taxonomic OpEx ratio was calculated by including in the numerator the figures provided for Revenues, CapEx and Taxonomic OpEx of Red Eléctrica, and in the denominator, the total Revenues, CapEx and Taxonomic OpEx of Redeia, taking into account the above comments.

In relation to Taxonomy-eligible but Taxonomy non-aligned activities, which correspond to the management and operation of international electricity infrastructure, the procedure was similar to that described in the case of Red Eléctrica. In this case, these activities are carried out by Red



Eléctrica Internacional (Redinter) through its investees that carry out electricity transmission activities in Peru and Chile.

The activities carried out by these companies were considered fully Taxonomy-eligible but not Taxonomy-aligned.

Regarding Revenue and CapEx (additions to fixed assets), a procedure similar to that described in relation to Red Eléctrica's Taxonomy-aligned activities was followed.

As far as Taxonomic OpEx is concerned, likewise, expenses directly related to asset maintenance activities were differentiated for the purposes of calculating the numerator. In relation to the denominator, the taxonomic OpEx considered for the Group was the same as that considered in the case of the aligned Taxonomic OpEx.



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Contextual Information

The Taxonomy Regulation states in point 1.2.3 of Annex I that non-financial undertakings shall explain the figures for each KPI and the reasons for any changes in those figures in the reporting period.

Since the numerator of the KPIs corresponds to the activities of Red Eléctrica, they indicate the weight of the activities carried out by this company within Redeia as a whole.

As the figures provided show, these activities represent a very significant percentage of all the Group's activities. Therefore, we can conclude that most of the activities carried out by Redeia are aligned with the Taxonomy Regulation.

Regarding the comparability of the information for 2023 and 2022, as shown in the results above, in terms of Revenue, CapEx and OpEx, the

indicator that improves significantly is the CapEx of the aligned activities associated with Red Eléctrica de España. This can be attributed to the fact that this company's additions of fixed assets have had a significant increase in 2023 compared to 2022. In the case of Peru and Chile, the CapEx figure

in 2023 was below the figure for 2022, resulting in a decrease in the percentage of eligible activities in 2023 compared to 2022.

With regard to Revenue and OpEx indicators, it is noted that the indicators remain in line in 2023 compared to 2022.



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Economic activities	Code	Turnover in 2023 (€)	Proportion of 2023 Turnover (%)	Substantial contribution criteria						No significant harm criteria						Minimum safeguards	Proportion of Taxonomy-aligned turnover (A1) or Taxonomy-eligible turnover (A.2) – 2022	(E)	(T)
				Climate change mitigation	Climate change adaptation	Water	Circular economy	Pollution	Biodiversity	Climate change mitigation	Climate change adaptation	Water	Circular economy	Pollution	Biodiversity				
				Y;N; N/EL (b)	Y;N; N/EL (b)	Y;N; N/EL (b)	Y;N; N/EL (b)	Y;N; N/EL (b)	Y;N; N/EL (b)	Y;N; N/EL (b)	Y;N; N/EL (b)	Y;N; N/EL (b)	Y;N; N/EL (b)	Y;N; N/EL (b)	Y;N; N/EL (b)				
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned activities)																			
Management and operation of national electricity infrastructure	4.9 CCM	1,620,866	78.5 %	Y	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	79.2%	E	
Turnover from environmentally sustainable activities (Taxonomy-aligned activities) (A.1)		1,620,866	78.5 %	78.5% (d)	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	79.2%		
Of which enabling		1,620,866	100%	100%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	100%	E	
Of which transitional		0%	0%	0%						Y	Y	Y	Y	Y	Y	Y	0%		T
A.2. Taxonomy-eligible, but not environmentally sustainable, activities (Taxonomy non-aligned activities)																			
Management and operation of international electricity infrastructure	4.9 CCM (a)	74,267	3.6 %	EL/N/EL	EL/N/EL	EL/N/EL	EL/N/EL	EL/N/EL	EL/N/EL								3.5%		
Turnover from Taxonomy-eligible, but not environmentally sustainable, activities (Taxonomy non-aligned activities) (A.2)		74,267	3.6 %	3.6% (d)	0%	0%	0%	0%	0%								3.5%		
Total (A.1 + A.2)		1,695,133	82.1 %	82.1% (c)	0%	0%	0%	0%	0%								82.7%		
B. TAXONOMY NON-ELIGIBLE ACTIVITIES																			
Telecommunications – Satellite	-	245,134	11.9 %																
Telecommunications – Fibre Optics	-	96,537	4.7 %																
Other businesses, Corp. and	-	27,267	1.3 %																
Turnover from Taxonomy non-eligible activities (B)		368,938	17.9 %																
TOTAL (A+B)		2,064,071	100.0 %																

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Templates taken from Commission Delegated Regulation 2023/2486 of 27 June 2023 amending Delegated Regulation (EU) 2021/2178 as regards specific public disclosures for these economic activities.

- (a) The Code constitutes the abbreviation of the relevant objective to which the economic activity is eligible to make a substantial contribution, as well as the section number of the activity in the relevant Annex covering the objective, i.e.:
- Climate change mitigation: CCM
 - Climate change adaptation: CCA
 - Water and marine resources: WTR
 - Circular economy: CE
 - Pollution prevention and control: PPC
 - Biodiversity and ecosystems: BIO
- (b) Y – Yes, Taxonomy-eligible and Taxonomy-aligned activity with the relevant environmental objective
 N – No, Taxonomy-eligible but not Taxonomy-aligned activity with the relevant environmental objective
 N/EL – Not eligible, Taxonomy-non-eligible activity for the relevant environmental objective
 EL – Taxonomy-eligible activity for the relevant objective
- (c) To avoid double counting, in the cells for "substantial contribution criteria" to climate change mitigation and adaptation objectives for "Total (A1 + A2)", eligibility is presented for the climate change mitigation objective only.
- (d) This percentage is calculated from the contribution of the corresponding column to the total (A+B) in the last row of the table.
- (E): Category enabling activity.
 (T): Category transitional activity.

	Proportion of turnover/total turnover	
	that is Taxonomy-aligned for the relevant objective	Taxonomy-eligible for the relevant objective
CCM	78.5%	82.1%
CCA	0%	82.1%
WTR	0%	0%
CE	0%	0%
PPC	0%	0%
BIO	0%	0% (e)

- (e) Within the management and operation of national and international electricity infrastructures, projects are undertaken for the improvement and recovery of habitats, ecosystems and species, which constitute eligible activities in accordance with Commission Delegated Regulation (EU) 2023/2486 of 27 June 2023 supplementing Regulation (EU) 2020/852. However, information is not currently available in sufficient detail to be able to account for its key performance indicators.

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Economic activities	Code	CapEx 2023 (€)	Proportion of CapEx 2023 (%)	Substantial contribution criteria						No significant harm criteria						Minimum safeguards	Proportion of Taxonomy-aligned CapEx (A1) or Taxonomy-eligible CapEx (A.2) – 2022	(E)	(T)
				Climate change mitigation	Climate change adaptation	Water	Circular economy	Pollution	Biodiversity	Climate change mitigation	Climate change adaptation	Water	Circular economy	Pollution	Biodiversity				
				Y;N; N/EL (b)	Y;N; N/EL (b)	Y;N; N/EL (b)	Y;N; N/EL (b)	Y;N; N/EL (b)	Y;N; N/EL (b)	Y;N; N/EL (b)	Y;N; N/EL (b)	Y;N; N/EL (b)	Y;N; N/EL (b)	Y;N; N/EL (b)	Y;N; N/EL (b)				
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned activities)																			
Management and operation of national electricity infrastructure	4.9 CCM	767,993	83.4%	Y	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	76.7%	E	
CapEx from environmentally sustainable activities (Taxonomy-aligned activities) (A.1)		767,993	83.4%	83.4% (d)	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	76.7%		
Of which enabling		767,993	100%	100%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	100%	E	
Of which transitional		0%	0%	0%						Y	Y	Y	Y	Y	Y	Y	0%		T
A.2. Taxonomy-eligible, but not environmentally sustainable, activities (Taxonomy non-aligned activities)																			
Management and operation of international electricity infrastructure	4.9 CCM (a)	5,895	0.6%	EL/N/EL	EL/N/EL	EL/N/EL	EL/N/EL	EL/N/EL	EL/N/EL								4.3%		
CapEx from Taxonomy-eligible, but not environmentally sustainable, activities (Taxonomy non-aligned activities) (A.2)		5,895	0.6%	3.6% (d)	0%	0%	0%	0%	0%								4.3%		
Total (A.1 + A.2)		773,888	84.0%	84% (c)	0%	0%	0%	0%	0%								81.0%		
B. TAXONOMY NON-ELIGIBLE ACTIVITIES																			
Telecommunications – Satellite	-	119,222	13.0%																
Telecommunications – Fibre Optics	-	8,856	1.0%																
Other businesses, Corp. and	-	18,632	2.0%																
CapEx from Taxonomy non-eligible activities (B)		146,710	16.0%																
TOTAL (A+B)		920,598	100.0%																

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Templates taken from Commission Delegated Regulation 2023/2486 of 27 June 2023 amending Delegated Regulation (EU) 2021/2178 as regards specific public disclosures for these economic activities.

- (a) The Code constitutes the abbreviation of the relevant objective to which the economic activity is eligible to make a substantial contribution, as well as the section number of the activity in the relevant Annex covering the objective, i.e.:
- Climate change mitigation: CCM
 - Climate change adaptation: CCA
 - Water and marine resources: WTR
 - Circular economy: CE
 - Pollution prevention and control: PPC
 - Biodiversity and ecosystems: BIO
- (b) Y – Yes, Taxonomy-eligible and Taxonomy-aligned activity with the relevant environmental objective
 N – No, Taxonomy-eligible but not Taxonomy-aligned activity with the relevant environmental objective
 N/EL – Not eligible, Taxonomy-non-eligible activity for the relevant environmental objective
 EL – Taxonomy-eligible activity for the relevant objective
- (c) To avoid double counting, in the cells for "substantial contribution criteria" to climate change mitigation and adaptation objectives for "Total (A1 + A2)", eligibility is presented for the climate change mitigation objective only.
- (d) This percentage is calculated from the contribution of the corresponding column to the total (A+B) in the last row of the table.
- (E): Category enabling activity.
 (T): Category transitional activity.

	Proportion of turnover/total turnover	
	that is Taxonomy-aligned for the relevant objective	Taxonomy-eligible for the relevant objective
CCM	83.4%	84.0%
CCA	0%	84.0%
WTR	0%	0%
CE	0%	0%
PPC	0%	0%
BIO	0%	0% (e)

- (e) Within the management and operation of national and international electricity infrastructures, projects are undertaken for the improvement and recovery of habitats, ecosystems and species, which constitute eligible activities in accordance with Commission Delegated Regulation (EU) 2023/2486 of 27 June 2023 supplementing Regulation (EU) 2020/852. However, information is not currently available in sufficient detail to be able to account for its key performance indicators.

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Economic activities	Code	OpEx 2023 (€)	Proportion of OpEx 2023 (%)	Substantial contribution criteria						No significant harm criteria						Minimum safeguards	Proportion of Taxonomy-aligned OpEx (A1) or Taxonomy-eligible OpEx (A.2) – 2022	(E)	(T)
				Climate change mitigation	Climate change adaptation	Water	Circular economy	Pollution	Biodiversity	Climate change mitigation	Climate change adaptation	Water	Circular economy	Pollution	Biodiversity				
				Y;N; N/EL (b)	Y;N; N/EL (b)	Y;N; N/EL (b)	Y;N; N/EL (b)	Y;N; N/EL (b)	Y;N; N/EL (b)	Y;N; N/EL (b)	Y;N; N/EL (b)	Y;N; N/EL (b)	Y;N; N/EL (b)	Y;N; N/EL (b)	Y;N; N/EL (b)				
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned activities)																			
Management and operation of national electricity infrastructure	4.9 CCM (a)	414,079	88.9%	Y	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	90%	E	
OpEx from environmentally sustainable activities (Taxonomy-aligned activities) (A.1)		414,079	88.9%	88.9%(d)	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	90%		
Of which enabling		414,079	100%	100%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	100%	E	
Of which transitional		0%	0%	0%						Y	Y	Y	Y	Y	Y	Y	0%		T
A.2. Taxonomy-eligible, but not environmentally sustainable, activities (Taxonomy non-aligned activities)																			
Management and operation of international electricity infrastructure	4.9 CCM (a)	22,404	4.8%	EL	EL	N/EL	N/EL	N/EL	N/EL								4.2%		
OpEx from Taxonomy-eligible, but not environmentally sustainable, activities (Taxonomy non-aligned activities) (A.2)		22,404	4.8%	4.8%	0%	0%	0%	0%	0%								4.2%		
Total (A.1 + A.2)		436,483	93.7%	93.7% (c)	0%	0%	0%	0%	0%								94.2%		
B. TAXONOMY NON-ELIGIBLE ACTIVITIES																			
Telecommunications – Satellite	-	5,120	1.1%																
Telecommunications – Fibre Optics	-	24,401	5.2%																
Other businesses, Corp. and	-	-	-																
OpEx from Taxonomy non-eligible activities (B)		29,521	6.3%																
TOTAL (A+B)		466,004	100.0%																

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Templates taken from Commission Delegated Regulation 2023/2486 of 27 June 2023 amending Delegated Regulation (EU) 2021/2178 as regards specific public disclosures for these economic activities.

- (a) The Code constitutes the abbreviation of the relevant objective to which the economic activity is eligible to make a substantial contribution, as well as the section number of the activity in the relevant Annex covering the objective, i.e.:
- Climate change mitigation: CCM
 - Climate change adaptation: CCA
 - Water and marine resources: WTR
 - Circular economy: CE
 - Pollution prevention and control: PPC
 - Biodiversity and ecosystems: BIO
- (b) Y – Yes, Taxonomy-eligible and Taxonomy-aligned activity with the relevant environmental objective
 N – No, Taxonomy-eligible but not Taxonomy-aligned activity with the relevant environmental objective
 N/EL – Not eligible, Taxonomy-non-eligible activity for the relevant environmental objective
 EL – Taxonomy-eligible activity for the relevant objective
- (c) To avoid double counting, in the cells for "substantial contribution criteria" to climate change mitigation and adaptation objectives for "Total (A1 + A2)", eligibility is presented for the climate change mitigation objective only.
- (d) This percentage is calculated from the contribution of the corresponding column to the total (A+B) in the last row of the table.
- (E): Category enabling activity.
 (T): Category transitional activity.

	Proportion of turnover/total turnover	
	that is Taxonomy-aligned for the relevant objective	Taxonomy-eligible for the relevant objective
CCM	88.9%	93.7%
CCA	0%	93.7%
WTR	0%	0%
CE	0%	0%
PPC	0%	0%
BIO	0%	0% (e)

- (e) Within the management and operation of national and international electricity infrastructures, projects are undertaken for the improvement and recovery of habitats, ecosystems and species, which constitute eligible activities in accordance with Commission Delegated Regulation (EU) 2023/2486 of 27 June 2023 supplementing Regulation (EU) 2020/852. However, information is not currently available in sufficient detail to be able to account for its key performance indicators.

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- Global Reporting Initiative (GRI) content index.

- Sustainability Accounting Standard Board (SASB) content index.

- Reporting requirements of the Climate Disclosure Standards Board (CDSB) framework.

- Recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

- Table of contents of the European Sustainability Reporting Standards (ESRS).

A.3

A.3 Content Index: GRI, SASB, CDSB, TCFD and ESRS

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Table of contents Global Reporting Initiative (GRI)

GRI Standard	Description	Page	Direct response
General Contents (2021)			
The organisation and its practices for presenting reports			
2-1	Organisational details.	8, 26, 74	Redeia's head offices are in Paseo Conde de los Gaitanes, 177. Alcobendas (Madrid) - Spain
2-2	Entities included in the presentation of sustainability reports Period	8, 30	
2-3	covered by the report, frequency and point of contact.	6, 9	
2-4	Information update. External verification.	9	
2-5	External assurance.	509	
Activities and employees			
2-6	Activities, value chain and other commercial relations.	2, 26, 30, 430	
2-7	Employees.	2, 388	
2-8	Workers who are not employees.	388	
Governance			
2-9	Structure of governance and composition.	73, 78, 79, 80, 83	
2-10	Appointment and selection of the highest governance body.	86	
2-11	Chair of the highest governance body.	81	
2-12	Highest governance body's role in supervising impact management.	52, 78, 84, 85, 125	

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GRI Standard	Description	Page	Direct response
Governance / continued			
2-13	Delegation of responsibility for impact management.	84	
2-14	Highest governance body's role in the presentation of sustainability reports.	-	The Board of Directors' Sustainability Committee has the role of supervising and coordinating the process of reporting information on sustainability issues, among others.
2-15	Conflicts of interest.	88	
2-16	Communicating critical concerns.	85	
2-17	Collective knowledge of highest governance body.	86-89	
2-18	Evaluating the highest governance body's performance.	89	
2-19	Remuneration policies.	90	
2-20	Process for determining remuneration.	90	
2-21	Annual total compensation ratio.	-	The relation between the total remuneration of the best-paid person in the organisation ⁽¹⁾ and the total average annual remuneration of the whole workforce ⁽²⁾ (excluding the best-paid person) was eleven times. The relation between the percentage increase in remuneration for the best-paid person in the organisation compared with the increase for the workforce was 0.0 in 2023.

(1) Total remuneration accrued by the highest-paid individual (CEO): 890,000 euros. Includes both the fixed and variable remuneration corresponding to his role as top executive of the Company, as well as the fixed remuneration corresponding to his role as a member of the Board of Directors and other remunerations. Information available in note 26 of the Annual Consolidated Accounts of 'Redeia Corporación S.A. and Dependent Companies' and in the Annual Report on Remuneration of Board Members.

(2) The average total remuneration of the workforce excluding the highest-paid individual: 72,058 euros (personnel cost excluding social security costs). Information available in note 24d of the Annual Consolidated Accounts of 'Redeia Corporación S.A. and Dependent Companies'.

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GRI Standard	Description	Page	Direct response
Strategy, policies and practices			
2-22	Statement on the sustainable development strategy.	3	
2-23	Commitments and policies.	95, 114	
2-24	Incorporation of commitments and policies.	429	
2-25	Processes to remedy negative impacts.	114, 440	
2-26	Mechanisms to request guidance and raise queries.	9, 97	
2-27	Compliance with the law and regulations.	333	There have been no significant breaches in 2023 that entailed compensation payments, fines or substantial penalties. Compensation, fines and penalties are considered substantial when their economic value exceeds 500,000 euros or when their nature has a special impact on the company due to its link to the electricity sector. It also takes into account whether the penalty is irrevocable, at least for administrative procedures.
2-28	Membership of associations.	68, 424	
Stakeholder participation			
2-29	Approach to stakeholder participation.	61, 62	
2-30	Collective bargaining agreements.	372, 393	

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GRI Standard	Description	Page	Direct response
Organisational profile			
EU1	Installed capacity, broken down by primary energy source and by regulatory regime.	-	Not applicable. The activities of the Group are related to the transmission of electricity and the operation of the electricity systems, but not to the generation of electricity.
EU2	Net energy generated, broken down by primary energy source and by regulatory regime.	-	Not applicable. The activities of the Group are related to the transmission of electricity and the operation of the electricity systems, but not to the generation of electricity.
EU3	Number of commercial, industrial and residential customers.	181	
EU4	Length of above ground and underground transmission and distribution lines by regulatory regime.	158	
Content about material topics			
3-1	Process for determining material topics.	10	
3-2	List of material topics.	10, 13	
3-3	Management of material topics.	10, 14 a 18	
Economic performance (2016)			
201-1	Direct economic value generated and distributed.	239	
201-2	Financial implications and other risks and opportunities derived from climate change.	140, 148	
201-3	Obligations of the employee benefit programmes and other pension plans.	-	Information included in the Consolidated Annual Accounting Report 2023.
201-4	Financial assistance received from governments.	-	Information included in the Consolidated Annual Accounting Report 2023.

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GRI Standard	Description	Page	Direct response
203. Indirect economic impacts (2016)			
203-1	Investments in infrastructures and supported services.	154	
203-2	Significant indirect economic impacts.	401	
204. Acquisition practices (2016)			
204-1	Proportion of spending on local suppliers.	430	
205. Anti-corruption (2016)			
205-1	Operations assessed for corruption related risks.	110	
205-2	Communication and training in anti-corruption policies and procedures.	110	
205-3	Confirmed incidents of corruption and actions taken.	110	
206. Unfair competition (2016)			
206-1	Legal actions in connection with unfair competition, monopolistic practices and against fair competition.	-	There is no evidence of formal claims presented by third parties in 2023 for civil, administrative or criminal matters with regard to unfair competition, monopolistic practices or against fair competition.
207. Tax issues (2018)			
207-1	Tax affairs.	248, 252	
207-2	Governance, control and management of tax risks.	252	
207-3	Commitment to stakeholders and managing concerns about tax.	252	
207-4	Country-by-country report.	249	

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GRI Standard	Description	Page	Direct response
Availability and reliability (2016)			
EU10	Planned capacity compared with long-term forecasts of electricity demand, broken down by energy source and regulatory regime.	155	
System efficiency (2016)			
EU11	Average generation efficiency of thermal plants by energy source and by regulatory regime.	-	Not applicable. All the activities of the Group are related to the transmission of electricity and the operation of the electricity systems, but not to the generation of electricity.
EU12	Transmission and distribution losses as a percentage of total energy.	330	
302. Energy (2016)			
302-1	Energy consumption within the organisation.	339, 340	
302-2	Energy consumption outside of the organisation.	340	
302-3	Energy intensity.	340	
302-4	Reduction of energy consumption.	340	
302-5	Reductions in energy requirements of products and services.	-	Not applicable. Red Eléctrica, as operator of the electricity system, carries out various demand-side management initiatives aimed at improving energy efficiency of the electricity system as a whole, but it does not produce or market products nor services, whereby it is not possible to quantify the energy reductions that may result from them.

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GRI Standard	Description	Page	Direct response
303. Water and effluents (2018)			
303-1	Use of water as a shared resource.	-	Water is not a material issue for Redeia, although it has decided to include information related to it and verify this as it is an issue required by some sustainability indexes.
303-2	Management of impacts related with water spillage.	-	Not applicable. The activities of the Company do not cause spillages. Sub-stations only cause spillage of rainwater.
303-3	Water extraction.	335	
303-4	Water spillage.	-	Not applicable. The activities of the Company do not cause spillages. Sub-stations only cause spillage of rainwater.
303-5	Water consumption.	335	
304. Biodiversity (2016)			
304-1	Operating plants, whether owned, rented or managed, located within or alongside protected areas of zones with valuable biodiversity outside protected areas.	335	
304-2	Significant impacts of activities, products and services on biodiversity.	286, 287, 335, 336	
304-3	Protected or restored habitats.	289, 293	
304-4	Species included in the IUCN red list and the national conservation list whose habitats are located in areas affected by operations.	335, 336, 337	

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GRI Standard	Description	Page	Direct response
304. Biodiversity (2016) / continued			
EU13	The biodiversity of the compensation zones compared with the biodiversity of the affected areas.	-	The comparison of the compensation habitat with the affected space is not necessary because there is a minimal effect on the original habitat. Thanks to the preventive and corrective measures taken, the installations of Red Eléctrica do not entail any loss of biodiversity significant enough to require compensation zones to be set up. The effects generated are sporadic, so that some very specific measures have been taken, such as planting trees or restoring habitats.
305. Emissions (2016)			
305-1	Direct GHG emissions (scope 1).	341	
305-2	Indirect GHG emissions from energy generation (Scope 2).	341	
305-3	Other indirect GHG emissions (Scope 3).	342	
305-4	GHG emissions intensity.	342	
305-5	Reduction of GHG emissions.	343	
305-6	Emissions of ozone-depleting substances (ODS).	-	Not applicable. These can be considered irrelevant, with the exception of those associated with the use of air conditioning equipment containing R22. Losses are minimal owing to the fact that they are correctly maintained. The replacement of equipment with R22 is in process. There are only 15.56 kg of gas R22 left (in operating equipment and out-of-service equipment), which will be progressively replaced or eliminated.
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant-atmospheric emissions.	-	Not applicable. The activities of the company do not give rise to these types of emissions as the activities do not involve the burning of fossil fuels – the company does not generate electricity - except for the fuels used in power generators and vehicles, which are not considered relevant in this context.

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GRI Standard	Description	Page	Direct response
306. Waste (2020)			
306-1	Waste generated and significant impacts related to waste.	334	
306-2	Management of significant impacts related to waste.	305	
306-3	Waste generated.	334	
306-4	Waste not sent for disposal.	334	
306-5	Waste sent for disposal.	334	
308. Supplier environmental assessment (2016)			
308-1	New suppliers that were screened using environmental criteria.	442	
308-2	Negative environmental impacts in the supply chain and actions taken.	442	
401. Employment (2016)			
401-1	New employees hired and employee turnover.	347, 351, 390, 391	

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GRI Standard	Description	Page	Direct response
401. Employment (2016) / continued			
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees.	383	
401-3	Parental leave.	392	
EU15	Percentage of employees who qualify for retirement in the next five or ten years, broken down by job category and region.	390	
EU17	Days worked by contractor and subcontractor employees involved in construction, operation and maintenance activities.	381, 395	
EU18	Percentage of contractor and subcontractor employees that have undergone relevant health and safety training.	381	
402. Labour/Management Relations (2016)			
402-1	Minimum notice periods regarding operational changes.	372	
403. Occupational health and safety (2018)			
403-1	Occupational health and safety management system.	376	
403-2	Identification of hazards, risk assessment and incident investigations.	376	
403-3	Occupational health services.	378, 379	
403-4	Participation of workers, queries and messages about health and safety at work.	378	

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GRI Standard	Description	Page	Direct response
403. Occupational health and safety (2018) / continued			
403-5	Worker training in occupational health and safety.	386	
403-6	Worker health programmes	382	
403-7	Prevention and reduction of health and safety impacts on workers directly linked through business relations.	379	
403-8	Workers covered by an occupational health and safety management system.	376	
403-9	Workplace-related injuries.	-	
403-10	Work-related ailments and illnesses	-	The indicators that this GRI indicator refers to are calculated in accordance with the associated regulations using the standards of the Ministry of Work. https://herramientasprl.insst.es/Accidentesdetraba-jo/RecursosAdicionales.aspx
404. Training and education (2016)			
404-1	Average training hours per employee per year.	367, 392, 393	
404-2	Programmes to improve employee skills and programmes to support transition.	363	
404-3	Percentage of employees receiving regular performance and career development reviews.	393	
405. Diversity and equal opportunities (2016)			
405-1	Diversity in governance bodies and employees.	2, 79, 80, 388, 389, 390, 391	
405-2	Ratio of basic salary and remuneration between women and men.	356, 391	

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GRI Standard	Description	Page	Direct response
406. Non-discrimination (2016)			
406-1	Incidents of discrimination and corrective actions taken.	99, 449	
407. Freedom of association and collective bargaining (2016)			
407-1	Operations and suppliers whose right to free association and collective bargaining could be at risk.	115	
408. Child labour (2016)			
408-1	Operations and suppliers at significant risk for cases of child labour	115	
409. Forced or compulsory labour (2016)			
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour	115	
410. Security practices (2016)			
410-1	Security staff trained in human rights policies and procedures.	121	
411. Rights of Indigenous Peoples (2016)			
411-1	Incidents of violations involving rights of indigenous peoples.	117	

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GRI Standard	Description	Page	Direct response
412. Human rights assessment (2016)			
412-1	Operations that have been subject to human rights reviews or impact assessments.	117	
412-2	Employee training on human rights policies or procedures.	121	
412-3	Agreements and contracts for significant investments with clauses on human rights or subject to human rights assessments.	117	
413. Local communities (2016)			
413-1	Operations with the participation of local communities, assessment of the impact and development programmes.	421	
413-2	Operations with significant negative impacts –real or potential – on local communities.	265	
EU22	Number of people economically or physically displaced and the compensation, broken down by type of project.	-	Not applicable. Red Eléctrica facilities do not cause any displacement of people.
414. Supplier social assessment (2016)			
414-1	New suppliers that were screened using social criteria.	442	
414-2	Negative social impacts in the supply chain and actions taken.	436	

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GRI Standard	Description	Page	Direct response
416. Customer health and safety (2016)			
416-1	Assessment of the health and safety impacts of product and service categories.	270	
416-2	Cases of non-compliance concerning the impact of health safety impacts of product and service categories.	-	No litigation has been identified in 2023 in the civil, administrative, or criminal areas regarding non-compliance with legislation or regulations as indicated, imposed through sanctioning proceedings that have resulted in significant fines or penalties.
EU25	Number of fatal injuries and losses among citizens that involve company assets, including legal cases, bankruptcies and pending legal cases for illness.	-	There is no record of formal claims being filed in 2023 by third parties in the civil, administrative, or criminal areas regarding injuries, fatal incidents, or illnesses among citizens involving the company's assets.
Access to electricity (2016)			
EU26	Percentage of population without distribution or service areas.	-	Not applicable. As high-voltage transmission agent, Red Eléctrica does not reach the end user.
EU27	Number of residential disconnections for non-payment, broken down by duration of disconnection and by regulatory regime.	-	Not applicable. Red Eléctrica does not have any distribution business, only high-voltage transmission. The quality indicators of the transmission activity are shown in the chapter on Industrial Capital: Electricity
EU28	Power outage frequency.	164	
EU29	Average power outage duration.	164	
EU30	Average availability factor of the centre by regulated energy source.	-	Not applicable. All the activities of the Group are related to the transmission of electricity and the operation of the electricity systems, but not to the generation of electricity.

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GRI Standard	Description	Page	Direct response
418. Customer Privacy (2016)			
418-1	Justified claims in relation to breaches of customer privacy and the loss of customer data.	-	There is no evidence that justified legal actions have been taken in 2023 in relation to breaches of customer privacy and loss of customer data.

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Table of contents Sustainability Accounting Standard Board (SASB)

Redeia's business activities fall within the **Utilities industries and the generation of energy and telecommunication services.**

Sustainability issues and measurement metrics

Subject	Measurement	Page
Infrastructure sector: Utilities and energy generators		
GHG emissions	- Scope 1 emissions.	341, 342
Occupational health and safety	- Accident severity rate. - Accident frequency rate.	394
Activity	- Length of the lines.	162
Technology and communications sector: Telecommunications services		
Environmental footprint of the operations	- Total energy consumed. - Percentage of energy in the grid consumed. - Percentage of renewable energies consumed.	339 and following
Privacy of information	- Description of policies and practices related to customer privacy. - Number of customers whose information was used for secondary purposes. - Total amount of money lost through legal proceedings associated with customer privacy. - Number of requests to apply the customer information law.	113 and following
Security of information	- Number of data breaches, percentage of these involving personal information and the number of customers affected. - Description of the method for identifying and tackling data security risks and the use of benchmark cyber security standards.	113 and following
Unfair competition	- Total amount of money lost through legal proceedings associated with anticompetitive behaviour.	483

Note: Only includes issues covered in the reporting framework defined by the Sustainability Accounting Standards Board, which are relevant and apply to Redeia, in view of its business.

Table of contents from the framework of the Climate Disclosure Standards Board (CDSB)

Requirements	Description	Page
REQ-01	Governance. The report describes the governance of environmental policies, strategy and information.	52
REQ-02	Management of environmental policies, strategy and objectives. The report must inform about the management of environmental policies, strategy and objectives, including the initiatives, plans and timetables used to assess performance.	313 and following
REQ-03	Risks and opportunities. The report must explain significant current and expected environmental risks and opportunities that affect the organisation.	140 and following
REQ-04	Sources of environmental impacts. Quantitative and qualitative results, with the methods used to prepare them shall be reported to show the material sources of environmental impacts.	313 and following
REQ-05	Comparative analysis and performance. The report will include an analysis of the information revealed by REQ-04 compared with any established performance goals and the results reported in previous periods.	313 and following
REQ-06	Outlook. Management must sum up its conclusions about the effect of the environmental impacts, risks and opportunities for the future of the organisation.	140 and following, 313 and following
REQ-07	Organisational scope. Environmental information must be prepared for entities within the scope of the organisation or group, which entails preparing the main report and, where relevant, distinguishing the information reported for entities and activities which lie outside this scope. It will describe the basis used for determining the scope for presenting the organisation's reports.	8
REQ-08	Reporting policy. The report must mention the provisions for presenting reports used when preparing environmental information and confirm that it has been used consistently between one report presentation period and the following.	7, 320
REQ-09	Reporting period. The report is prepared annually.	6 and following
REQ-10	Restatements. The reports must mention and explain any restatement from previous years.	6 and following
REQ-11	Conformity. The report must contain a statement of conformity with the CDSB framework.	6 and following
REQ-12	Assurance. If guarantees can be provided over whether the environmental information provided satisfies the principles and requirements of the CDSB framework, it should be included or referenced in the statement of conformity (REQ-11).	6 and following

Table of contents for the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD)

Governance

a- Describe the **Board's supervision** of climate-related opportunities and risks.

b- Describe the **action and role of management** in evaluating and managing climate risks and opportunities.

Risks:

- Climate risk management is part of the company's risk management. The responsibilities of the Board and Senior Management (Executive Committee, Audit Department and Risk Control and Heads of the responsible OUs) are described on [pg. 125](#).
- Specific questions about governance and climate change risks are given in [page pg. 142-143](#).

Opportunities:

- Role of the Board is highlighted in [page pg. 148](#).
- The Board Committee that supervises climate-related opportunities is the Sustainability Committee [pg. 148](#).

Strategy

a- Describe **climate-related risks and opportunities** that the organisation has identified in the short, medium and long term.

b- Describe the impact of the **risks and opportunities on the organisation's business**, financial strategy and planning.

Risks:

- The description of the short, medium and long-term climate-related risks are included on [pages 143-147](#).
- The impact of the climate-related risks for the business, specifying the financial impact, is on [143-147](#).

Opportunities:

- The description of the climate-related opportunities and their impact are included in [pg. 149-150](#).

Risks and Opportunities:

- One of the functions of the Board (Sustainability Committee) is to ensure that the conclusions of the assessment of climate change risks and opportunities are considered in the company strategy (policy definition/revision, planning—including financial— and in decision making) ([pg. 142,143 and 148](#)). This is reflected in the company's Strategic Plan and other commitments, such as the fight against Climate Change and the Climate Change Action Plan ([pg. 315-318](#)).

c- Describe the **resilience of the organisation's strategy** in view of the different climate scenarios, including global warming of up to **2°C**.

In accordance with the risk assessment and its monetisation, which considers the capacity to adapt to each of the risks and the mitigation measures applied, no risks that can significantly affect the business or the financial status of the company have been identified (in accordance with the monetisation of the risks, none of them represent an impact of more than 2% of Redeia's annual turnover) in any of the scenarios analysed (including that of global warming up to 2°C NZE). This reflects the fact that Redeia is a resilient organisation. The system for controlling and managing climate risks and the inclusion of the conclusions in the strategy (policies and action plans) enable it to plan ahead of potential impacts and maintain the Company's capacity to adapt.

- Description of the scenarios considered, including that of global warming of less than 2°C -NZE- and scenarios consisting of material physical changes –RCP 8.5– ([pg. 141](#)).
- Horizons considered ([pg. 142](#)).
- Impacts for the risks identified and results of the evaluation (the result considers the application of risk mitigation measures) ([pg. 143-147](#)).
- Strategies that incorporate the results of the risks and opportunities assessment (Strategic Plan, PACC) ([pg. 315-318](#)).

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Table of contents for the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD)

Risk Management

- a-** Describe the **organisation's processes to identify and evaluate** climate-related risks.
 - The process of identifying and assessing climate risks is given on [pg. 142](#).
 - Redeia has identified 110 potential risks and 39 potential opportunities (considering risks associated with political and regulatory changes, technology and markets; severe physical and chronic risks and opportunities related to new products and services, efficiency, resilience and reputation).
- b-** Describe the organisation's processes **to manage** climate-related risks.
 - The assessment of the risks and opportunities identified has resulted in their prioritisation.
- c-** Describe how the processes to identify, assess and manage climate risks are **integrated** into the organisation's general risk management.
 - The corresponding control measures have been identified for all relevant risks ([pg. 143-147](#)).
 - Climate risk management is part of the company's risk management [pg.143](#).
 - The specifics of climate risk management are given on [pg.143](#).

Measurements and objectives

- a-** Publications of the **metrics** used by the organisation to assess climate risks and opportunities in accordance with its risk management strategy and processes.

Many metrics are used to assess the risks and opportunities, some are specific to a particular opportunity or risk assessed. Some of the most important are related to the quality of supplies ([pg. 164](#)), for developing transmission grid ([pg. 162](#)), for integrating renewables ([pg. 165](#)) and developing storage systems ([pg. 172](#)).
- b-** Report on **scope 1 and 2 GHG emissions** and whether **scope 3** and its associated risks are relevant.

The inventory of GHG emissions (scopes 1, 2 and 3) are listed in [pg. 341-342](#). No specific risks associated with emissions has been identified.
- c-** Describe the **targets** set by the organisation for managing climate-related risks and opportunities and **performance** related to these targets.

The nature of Redeia means that climate-related risks and opportunities are fully linked to the Company's activities. For this reason, the description of the targets for managing climate change-related risks and opportunities and their performance is contained in the whole report. Strategic Plan ([pg. 40-45](#)); climate change action plan ([pg. 316-318](#)); Sustainable grid development ([pg. 154-162](#)); Facilities maintenance ([pg. 163](#)); Integration of renewables ([pg. 165-170](#)); Storage ([pg. 170-175](#)); System flexibility ([pg. 176-179](#)); Reduction of the carbon footprint ([pg. 319-331](#)); Sustainable financing ([pg. 243-247](#)) and fire prevention ([pg. 290-292](#)).

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Table of contents for European Sustainability Reporting Standards (ESRS) / ESRS 2 IRO-2 p. 54 / ESRS 2 IRO-2 AR 19

Disclosure Requirement	Description	Paragraph / Requirement for Application	Page	Direct response
ESRS 2: General Information				
Basis for preparation (BP)				
BP-1	General basis for the preparation of the sustainability statement.	5 (a), 5 (b) i., 5 (c)	6 and 8	
BP-2	Disclosures in relation to specific circumstances.	13 (a), 13 (c), 15, AR 2	7, 9, 12, 56, 76, 97, 101, 108, 111, 121, 188, 195, 205, 229, 232, 259, 279, 325, 342, 442 and 451	
Governance (GOV)				
GOV-1	The role of the administrative, management and supervisory bodies.	21 (a), 21 (b), 21 (c), 22 (a), 22 (b), 22 (d), 23 (a), 21 (d), 21 (e), 22 (c) i., 22 (c) ii., 22 (c) iii.	49, 51, 78, 79, 84, 88, 90, 125, 129 and 131	
GOV-2	Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies.	24, 26 (a)	84 and 125	
GOV-3	Integration of sustainability-related performance in incentive systems.	27, 29 (a), 29 (b), 29 (d), 29 (e), 29 (c)	92 and 93	
Strategy (SBM)				
SBM-1	Strategy, business model and value chain.	40 (a) i, 40 (a) iii, 40 (g)	27, 42 and 350	
SBM-2	Interests and views of stakeholders.	45 (a) i, 45 (a) ii, 45 (a) iii, 45 (a) iv, 45 (a) v, 45 (b), 45 (c) i, 45 (d)	11, 56, 57, 58, 59 and 61	

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SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model.	8 (a), 48 (c) i., 48 (e) and 48 (h)	24, 132 and 140	
Impact, risk and opportunity management (IRO, P & A)				
IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities and relative importance.	53 (a), 53 (b) ii., 53 (b) iii., 53 (g)	10, 11, 12	
IRO-2	Disclosure requirements in ESRS covered by the undertaking's sustainability statement.	54, AR 19"	498	
MDR-P	Policies adopted to manage material sustainability matters.	-	-	Disclosure requirement met in the context of the rest of the ESRS.
MDR-A	Actions and resources in relation to material sustainability matters.	-	-	Disclosure requirement met in the context of the rest of the ESRS.
Parameters (M) and targets (T)				
MDR-M	Parameters related to sustainability matters of material importance.	-	-	Disclosure requirement met in the context of the rest of the ESRS.
MDR-T	Tracking effectiveness of policies and actions through targets.	-	-	Disclosure requirement met in the context of the rest of the ESRS.

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Disclosure Requirement	Description	Paragraph / Requirement for Application	Page	Direct response
ESRS E1: Climate change				
Strategy (SBM)				
E1-1	Transition plan to mitigate climate change.	14, 16 (a), 16 (b), AR 2, 16 (h) and AR 3 (c)	316, 317 and 321	
ESRS 2 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model.	18, 19 (a), 19 (c), AR 7 (a), AR 7 (b)	141 and 143	
Impact, risk and opportunity management (IRO, P & A)				
ESRS 2 IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities related to climate change.	20 (b) i., 20 (c), 21, AR 11 (d), AR 12 (c), AR 13 (a), AR 13 (b), AR 15	141, 142, 143	
E1-2	Policies related to the mitigation of and adaptation to climate change.	25 (a), 25 (b), 25 (c), 25 (d), 25 (e), AR 16, AR 17, AR 18	258, 316, 317 and 318	
E1-3	Actions and resources in relation to policies in relation to climate change.	29 (a), 29 (b) , AR 19 (b), 26	259, 317 and 324	

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Disclosure Requirement	Description	Paragraph / Requirement for Application	Page	Direct response
Parameters (M) and targets (T)				
E1-4	Targets related to the mitigation of and adaptation to climate change.	30, 34 (a), 34 (c), 34 (d), AR 24, AR 26, AR 30 (b), 34 (b), 34 (e) and AR 30 (c)	141, 316, 317, 321, 324, 326, 328, 329, 341 and 342	
E1-5	Energy consumption and combination.	35, 38 (b) and AR 33	339	
E1-6	Gross Scope 1, 2, 3 and Total GHG emissions.	AR 39 (a), AR 39 (b), AR 43 (b), AR 45 (a), AR 45 (d), AR 46 (a), AR 46 (e), 44 (a), 44 (b), 44 (c), 48 (a), 49 (a), 49 (b), 50 (a), 51, AR 39 (d), AR 40, AR 43 (a), AR 46 (c), AR 46 (d), AR 46 (h) i. y AR 46 (h) ii.	320, 326, 341 and 342	
E1-7	GHG removals and GHG mitigation projects financed through carbon credits.	56 (b), 59 (a), AR 62 (a), AR 62 (c), AR 62 (d), AR 63 (a), AR 63 (b)	329	
E1-9	Financial effects foreseen for physical risks and transition of material importance and potential opportunities related to climate change.	64 (a), 64 (b), 64 (c), 69 (b)	147 and 150	
ESRS E4: Biodiversity and ecosystems				
Strategy (SBM)				
E4-1	Transition plan and examination of biodiversity and ecosystems in the business strategy and model.	11, AR 1 (b), AR 1 (d)	276, 277, 278, 280, 281 and 282	
ESRS 2 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model.	16 (a) iii., 16 (b), 16 (c)	276, 281 and 336	

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Disclosure Requirement	Description	Paragraph / Requirement for Application	Page	Direct response
Impact, risk and opportunity management (IRO, P & A)				
ESRS 2 IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities of material importance related to biodiversity and ecosystems.	17 (a), 17 (b), 17 (c), 19 (a)	275, 276, 277, 279, 281 and 282	
E4-2	Policies related to biodiversity and ecosystems.	20, 24 (a), 24 (b), 24 (c), 24 (d)	273, 297 and 308	
E4-3	Actions and resources related to biodiversity and ecosystems.	25, 28 (a), AR 19 (a), AR 19 (b), AR 20 (a)	259, 280, 289, 291, 293, 294, 295, 299 and 300	
Parameters (M) and targets (T)				
E4-4	Targets related to biodiversity and ecosystems.	29, AR 29 (b), AR 29 (c)	274	
E4-5	Incident parameters related to changes in biodiversity and ecosystems.	33, 40 (b), 40 (d) i., 41 (a), AR 27 (a), AR 27 (b), AR 27 (g)	272, 288, 297, 301, 335, 336 and 337	
ESRS E5: Use of resources and the circular economy				
Impact, risk and opportunity management (IRO, P & A)				
E5-1	Policies related to the use of resources and the circular economy.	12	303	
E5-2	Actions and resources related to the use of resources and the circular economy.	20 (a), 20 (c), 20 (d), 20 (f), AR 11, AR 12 (a), AR 12 (b), AR 12 (c), 17		

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Disclosure Requirement	Description	Paragraph / Requirement for Application	Page	Direct response
Impact, risk and opportunity management (IRO, P & A)				
E5-3	Targets related to the use of resources and the circular economy.	21, 24 (a), 24 (b), 24 (c), 24 (d), 24 (e), 24 (f), 25, 27, AR 15 and AR 18	302, 304, 305, 306 and 308	
E5-5	Outflow of resources.	33, 37 (a), 37 (b) ii., 37 (b) iii., 37 (c) i., 37 (c) ii., 37 (d), 39, 40 and AR 33 (c)	306 and 334	
ESRS S1: Own personnel				
Strategy (SBM)				
ESRS 2 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model.	14 (c), 14 (f), 14 (f) i., 14 (f) ii., 14 (g), 14 (g) i.	117, 119, 385 and 417	

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Disclosure Requirement	Description	Paragraph / Requirement for Application	Page	Direct response
Impact, risk and opportunity management (IRO, P & A)				
S1-1	Policies related to own personnel.	17 , 19, 20 (a), 20 (b), 20 (c), 21, 22, 23, 24 (a), 24 (c), 24 (d)	93, 114, 115, 117, 122, 358, 359, 360, 372 and 377	
S1-2	Processes of collaboration with own personnel and workers' representatives to deal with incidents.	25	378	
S1-3	Processes to repair negative incidents and channels for own personnel to express their concerns.	32 (d), 33, 30, 32 (a), 32 (b), 32 (e)	97, 98, 379, 448 and 449	
S1-4	Adoption of measures related to incidents of relative importance with own personnel, approaches to mitigate risks of relative importance and take advantage of relatively important opportunities related to own personnel and the effectiveness of these actions.	35, 37, 38 (a), 38 (b), 38 (c)	118, 348, 355, 356, 361, 364, 368, 379, 382, 385, 386, 425 and 427	
Parameters (M) and targets (T)				
S1-5	Targets related to the handling of negative incidents of relative importance, encouragement of positive incidents and management of relatively important risks and opportunities.	AR 49 (c)	358	
S1-6	Characteristics of the Company's salaried workers.	50 (b) iii , 50 (f), 50 (d) i, 50 (d) ii , 50 (f), AR 55, 48, 50 (a), 50 (b) i., 50 (b) ii., 50 (c)	349, 350, 351, 388, 391, 395 and 396	
S1-7	Characteristics of non-salaried workers among the Company's own personnel.	53 , 55 (b) i , 55 (b) ii, 55 (c)	388	
S1-8	Coverage of collective bargaining and social discussions.	60 (b), 60 (c), 63 (a), 63 (b), AR 70, 58, 60 (a)	372, 374, 393, 396	

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S1-9	Diversity parameters.	66 (a), 64, 66 (b)	358, 388 and 390	
S1-12	People with disabilities.	77, 79	362 and 388	
S1-13	Parameters for training and skills development.	81, 83 (a), 83 (b)	233, 364, 370, 372, 392 and 393	
S1-14	Health and safety parameters.	86 , 88 (a), 88 (b), 88 (c), 88 (e)	377 and 394	
S1-15	Parameters for work / life balance.	91 , 93 (a) , 93 (b)	383 and 392	
S1-16	Parameters for remuneration (pay gap and total remuneration).	97 (a), 97 (c)	356	
S1-17	Incidents, claims and serious incidents related to human rights.	102 , 103 (a) , 103 (b) , 104 (a), 100, 103 (d), AR 103 (a)	99, 109, 449 and 450	

ESRS S2: Value chain workers

Strategy (SBM)

ESRS 2 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business mode.	11 (b)	117 and 119	
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Impact, risk and opportunity management (IRO, P & A)

S2-1	Polícies related to value chain workers.	AR 15, 14, 16, 17, 17 (a), 17 (c), 18, AR 13	96, 106, 115, 122 and 429	
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Disclosure Requirement	Description	Paragraph / Requirement for Application	Page	Direct response
S2-3	Processes to repair negative incidents and channels for value chain workers to express their concerns.	27 (b), 27 (d), AR 23, AR 24	99, 121, 449	
S2-4	Adoption of measures related to incidents of relative importance with value chain workers, approaches to manage relatively important risks and take advantage of relatively important opportunities related to value chain workers and the effectiveness of these actions.	36, 32 (c), AR 31	434, 441, 450	

ESRS S3: Affected groups

Strategy (SBM)

ESRS 2 SBM-2	Interests and opinions of the interested parties.	7	61, 115, 405 and 421	
ESRS 2 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model.	8 (a), 9 (a), 9 (a) i, 10, 11, 9 (a) iv., 9 (c)	117, 400, 405, 406, 407, 422 and 423	

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Disclosure Requirement	Description	Paragraph / Requirement for Application	Page	Direct response
Impact, risk and opportunity management (IRO, P & A)				
S3-1	Policies related to the affected groups.	17, 15, 16, 16 (a), 16 (b), 16 (c), AR 9	57, 95, 106, 115, 116, 120, 122, 421, 444 and 464	
S3-2	Processes to collaborate with the affected groups in relation to incidents.	19, 21 (b), 21 (a)	407, 421, 422	
S3-3	Processes to repair negative incidents and channels for the groups affected to express their concerns.	27 (b), 27 (d), AR 21	99, 121	
S3-4	Adoption of measures related to incidents of relative importance with the groups affected, approaches to manage risks of relative importance and take advantage of relatively important opportunities related to the groups affected and the effectiveness of these actions.	32 (a), 32 (b), 38, 30, 32 (c), 32 (d), 33 (a), 33 (b), 33 (c), 35, 36, AR 27, AR 34 (b), AR 35	118, 120, 122, 133, 262, 265, 405, 407, 409, 412, 418, 421, 422, 423	
Parameters (M) and targets (T)				
S3-5	Targets related to the handling of negative incidents of relative importance, encouragement of positive incidents and management of relatively important risks and opportunities.	39 (b)	409	

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ESRS G1: Business conduct				
Impact, risk and opportunity management (IRO, P & A)				
ESRS 2 IRO-1	Description of the processes to determine and evaluate incidents, risks and opportunities with relative importance.	6	107	
G1-1	Corporate culture and policies for corporate culture and business conduct.	7, 8, 9, 10 (a), 10 (c), 10 (c) i, 10 (c) ii, 10 (g), 10 (h), 10 (e)	96, 98, 99, 100, 102, 103, 104, 110, 121, 449, 452, 453	
G1-2	Supplier relations management.	12, 15 (a), 15 (b), AR 2 (a), AR 2 (c), AR 2 (d), AR 2 (g)	117, 134, 427, 432, 436, 440, 442	
G1-3	Prevention and detection of corruption and bribery.	21 (a), 21 (b), 18 (c), 16, 18 (a), 18 (b), 20, AR 5	100, 102, 108, 109, 110, 111, 254, 452, 453	
Parameters (M) and targets (T)				
G1-4	Confirmed cases of corruption or bribery.	24 (b), 22, 24 (a), 25 (a), 25 (b), 25 (c), 25 (d)	95, 99, 101, 109, 111, 451	
G1-5	Political influence or activities of pressure groups.	27, 29 (d)	111, 424	

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INDEPENDENT LIMITED ASSURANCE REPORT REDEIA'S SUSTAINABILITY INDICATORS

To the Management of Redeia Corporation, S.A.

Scope

In accordance with your request, we have carried out a limited assurance engagement on the sustainability indicators (environmental, social and governance) contained in the Annex "Table of contents Global Reporting Initiative (GRI)" (hereinafter, the "Subject matter under analysis") that is included in the 2023 Sustainability Report of Redeia Corporation, S.A. and subsidiaries (hereinafter Redeia or the Group) for the period from January 1, of 2023 and December 31, 2023 (hereinafter referred to as the "Report").

The Report includes additional information that does not fall within the scope described in the previous paragraph and on which we have not carried out any procedure, so we do not express any conclusions about such information.

Criteria applied by Redeia

To prepare the Report, Redeia has applied the provisions of the Global Reporting Initiative (GRI) Guide for the preparation of Sustainability Reports, and the sector supplement "Electric Utilities Sector Supplement", in its G4 version, (hereinafter, the criteria) as detailed in the section "About this report" of the section "A benchmark report at the forefront of reporting standards".

Redeia Responsibilities

Redeia's Management is responsible for the selection of the criteria, as well as for the presentation of the Report in accordance with these criteria, in all significant aspects. This responsibility includes the implementation and maintenance of internal controls, the maintenance of appropriate records and the making of the estimates that are applicable for the preparation of the Sustainability Report in such a way that it is free from material misstatement, due to fraud or error.

Our Responsibility

Our responsibility is to express a conclusion about the presentation of the Report based on the evidence we have obtained.

We have conducted our limited assurance work in accordance with International Standard for Assurance Engagements (ISAE) 3000 (Revised) "Assurance Engagements Other Than Audits Or Reviews Of Historical Financial Information" issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC), and with the Action Guide on review of Corporate Responsibility Reports issued by the Institute of Chartered Accountants of Spain (ICJCE), in accordance with the terms of our engagement letter dated January 15, 2024. This standard requires us to plan and carry out the engagement in order to express a conclusion as to whether we are aware of any material modifications that need to be made to the Report to bring it into line with the criteria, and to issue a verification report. The nature, timing and extent of the procedures selected depend on our judgment, including an assessment of the risk of material misstatement, due to fraud or error.

We consider that the evidence we have obtained provides a sufficient and adequate basis for our conclusion of limited assurance.

Our Independence and Quality Management

We have complied with the independence and other ethical requirements of the International Code of Ethics for Accounting Professionals of The International Ethics Standards Board for Accountants (IESBA Code of Ethics), and we have the necessary skills and experience to perform this assurance engagement. There is no conflict of interest in the process of reviewing sustainability indicators.

Our firm applies the International Quality Management Standard (SQM 1) which requires the firm to design, implement and operate a quality management system that includes policies or procedures relating to compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

The team has been made up of professionals who are experts in reviewing non-financial information and, specifically, in economic, social and environmental performance information.

Procedures Performed

In a limited assurance engagement, the procedures carried out vary in their nature and timing, and are shorter in length, than those performed in a reasonable assurance engagement. Consequently, the degree of security that is obtained in a limited assurance engagement is substantially less than the degree of assurance that would have been obtained if a reasonable assurance engagement had been performed. Our procedures were designed to obtain a limited degree of certainty on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable degree of certainty.


Although we consider the effectiveness of management's internal controls in determining the nature and extent of our procedures, our assurance work was not designed to provide assurance over internal controls. Our procedures did not include testing controls or procedures related to verifying the aggregation or calculation of data within information Technology systems.

A limited assurance engagement consists of the formulation of questions, mainly to the persons responsible for the preparation of the subject matter under analysis and the related information, and in the application of certain analytical and other appropriate procedures.

Our procedures have included:

- Meetings with Redeia staff to learn about the business model, policies and management approaches applied, the main risks related to these issues and obtain the necessary information for the external review.

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- Review of the content of the 2023 Sustainability Report prepared by Redeia, with the following scope:
 - Analysis of the scope, relevance and completeness of the contents included in the Report based on the materiality analysis carried out by Redeia, which includes the participation of stakeholders, as well as the materiality matrix.
 - Analysis of the processes carried out by Redeia to collect and validate the data presented in the Sustainability Report.
 - Review of the information relating to the risks, policies and management approaches applied in relation to the material aspects presented in the Sustainability Report.
 - Verification, by means of tests, based on the selection of a sample, of the information relating to the contents included in the Annex "Table of contents Global Reporting Initiative (GRI)" and its appropriate compilation based on the data provided by Redeia's information sources.

In addition, we have carried out those other procedures that we have deemed necessary.

Conclusion

On the basis of the procedures applied and the evidence obtained, no aspect has been revealed that leads us to believe that the sustainability indicators contained in the Annex to the 2023 Sustainability Report "Table of contents Global Reporting Initiative (GRI)" as of December 31, 2023, have not been prepared, in all material respects, in accordance with the Global Reporting Initiative (GRI) Sustainability Report Guide and its sector supplement "Electric Utilities Sector Supplement" in its G4 version, which includes the reliability of the data, the adequacy of the information presented and the absence of significant deviations and omissions.


ERNST & YOUNG, S.L.

(Free translation from the Original Report on Independent Review in Spanish dated March 7th, 2024. In the event of any discrepancy, the Spanish version always prevails.)

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INDEPENDENT LIMITED ASSURANCE REPORT OF REDEIA'S 2023 GREENHOUSE GAS EMISSIONS INVENTORY

To the Management of Redeia Corporation, S.A.

Scope
We have been contracted by Redeia Corporation, S.A. to carry out a limited assurance engagement for the Greenhouse Gas (GHG) 2023 Inventory of Redeia, (hereinafter, GHG Inventory) of Redeia Corporation, S.A. and subsidiaries (hereinafter Redeia) corresponding to the annual year ended December 31, 2023, which is included in the Annex to this document.


Criteria
Redeia has prepared the GHG Inventory in accordance with its internal procedure "Methodology for the calculation of GHG inventory" (hereinafter, the criteria), the bases of which are available on the organization's website through the link https://www.redeia.com/sites/webgrupo/files/04_SOSTE_NIBILIDAD/Documentos/Methodology_for_the_calculation_of_GHG_Inventory.pdf. These criteria were developed specifically for the preparation of the GHG inventory.

Management Responsibility
Redeia's management is responsible for selecting the criteria and presenting the GHG Inventory in accordance with those criteria, in all material aspects. This responsibility includes establishing and maintaining internal controls, maintaining adequate records, and making estimates that are relevant to the preparation of the GHG Inventory, so that it is free from material misstatement, whether due to fraud or error.

Our Responsibility
Our responsibility is to draw a conclusion about the GHG Inventory based on the evidence we have obtained.
Our work was carried out in accordance with the International Standard for Assurance Engagements 3410 (ISAE 3410) "Assurance Engagements on Greenhouse Gas Statements" issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC), and the terms of reference for this work as agreed with Redeia, in accordance with the terms of our engagement letter dated January 15, 2024. Those standards require us to plan and carry out our engagement to express a conclusion on whether we are aware of any major modifications that need to be made to the GHG Inventory in question in order for it to be in accordance with the criteria and to issue a report. The nature, timing and scope of the procedures selected depend on our judgment, including an assessment of the risk of material misstatement, whether due to fraud or error.
We believe that the evidence obtained is sufficient and appropriate to provide a basis for our conclusion of limited assurance.

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Report Independent Assurance of the Greenhouse Gas Inventory



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Taking into account the circumstances of the engagement, in carrying out the aforementioned procedures, we have carried out:

- Meetings with the staff of various Redeia units involved in the preparation of the GHG Inventory to obtain an understanding of Redeia's control environment and the relevant information systems for the quantification of GHG emissions and reporting. We have not evaluated the design of particular control activities, nor have we obtained evidence about their application, nor have we tested their operational effectiveness.
- Assessment of whether Redeia's methods for developing estimates are appropriate and whether they have been applied consistently. However, our procedures have not included evidence on the data on which the estimates have been based, nor have we calculated our own estimates to compare with Redeia's.
- Verification by means of analytical and substantive tests based on the selection of a sample, of the quantitative information (activity data, calculations and information generated) for the determination of Redeia's GHG inventory and its adequate compilation in accordance with the criteria.

We also perform other procedures that we deem necessary under the circumstances.

Other issues
Under no circumstances can this report be understood as an audit report in the terms provided for in the regulations governing the audit activity in force in Spain. This question does not change our conclusion.

Conclusion
Based on the procedures carried out in our verification and the evidence we have obtained, no aspect has been revealed that leads us to believe that Redeia's GHG inventory for the year ended December 31, 2023, has not been prepared, in accordance with the internal procedure "Methodology for the calculation of GHG Inventory".

Use and Distribution
Our report is issued solely in the interest of Redeia, in accordance with the terms of our engagement letter. We do not assume any liability to third parties other than the Management of Redeia Corporation, S.A.

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El valor de lo esencial

ANNEX. GREENHOUSE GAS (GHG) 2023 INVENTORY OF REDEIA

GHG Inventory 2023	t CO ₂ eq
Scope 1	28.692
SF ₆	25.790
Air conditioning	333
Fleet vehicles	1.875,5
Diesel generating sets	541
Heating	152,5
Scope 2	591.970
Electricity consumption	331
Transmission grid losses	591.639
Alcance 3	719.510
Purchase of goods and services	363.427
Capital goods	278.715
Energy production (not included in scope 1 and 2)	1.301
Waste	110
Transportation and distribution	1.096
Business travel	1.765
Commuting	2.850
Leased assets (upstream)	10.361
Leased assets (downstream)	0
Investments	59.885

Organisational boundaries

Redeia carbon inventory is performed under operational control criteria. The inventory applies to the activities that take place in Red Eléctrica Corporación, S.A. and the following companies linked to the group's businesses:

- Red Eléctrica: Red Eléctrica de España, S.A.U., Red Eléctrica Infraestructuras en Canarias S.A.U.
- Redinter: Red Eléctrica Internacional, S.A.U., Red Eléctrica Andina S.A., Red Eléctrica del Sur S.A., Red Eléctrica del Norte S.A., Transmisora Eléctrica del Sur S.A.C. (Tesur, Tesur 2, Tesur 3, Tesur 4), Red Eléctrica del Norte Perú S.A.C., Concesionario Líneas de Transmisión S.A.C. y Red Eléctrica Chile S.P.A., Red Eléctrica del Norte S.A (Redenor, Redenor 2)
- Reintel: Red Eléctrica Sistemas de Telecomunicaciones, S.A.U.
- Elewit S.A.U.



- Subgrupo Hispasat: Hispasat S.A., Hispasat Canarias SLU, Hispamar Satélites SA, Axess

Transmisora Eléctrica del Norte S.A (TEN), Argo Energia Empreendimentos e participações S.A. (ARGO) e Hisdesat Servicios estratégicos, S.A., as well as the holdings of the Hispasat subgroup and other significant shareholdings of Elewit are investee societies and considered as investments. Therefore, the emissions corresponding to these companies are included in scope 3.

In addition, proportionately consolidated companies (INELFE) are also included in scope 3.¹

Operational scope

The following scopes are considered:

Scope 1: Direct GHG emissions

Emissions resulting from the Company's controlled or owned sources:

- Fugitive emissions: SF₆ gas leaks in electricity substations and refrigerant gases leaks from air conditioning systems.
- Mobile combustion: emissions derived from fuel consumption of the fleet.
- Stationary combustion: derived from the combustion of fuels used in diesel generating sets and heating.

Scope 2: GHG indirect emissions from electricity consumption

- Electricity consumption
- Electricity losses in the transmission grid.

Scope 3: Other indirect GHG emissions

- Supply chain: Purchase of goods and services.
- Capital goods.
- Life cycle of fuel and energy consumed: emissions due to energy production (not included in scope 1 and 2).
- Upstream transportation and distribution.
- Waste management.
- Business travel by plane, train and car (taxi, private and rented vehicles).
- Employees commuting to the workplace.
- Leased assets (upstream & downstream).
- Investments.

Categories not applicable:

- Downstream transportation and distribution.
- Processing of products sold.
- Use of sold products.
- End-of-life treatment of sold products.
- Franchising
- Employees commuting to the workplace.

¹ The scope 3 emissions of some of the Hispasat companies, considered non-material, have not been included (Hispasat Perú SAC and Hispasat México, SA). In addition, the companies with exclusive legal or commercial character are not included, as no emissions associated to them have been identified.

Report Independent Assurance of the Greenhouse Gas Inventory

continued

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redeia

Valuing the essentials

