

2023 | Sustainability
Report
SUMMARY



redeia

Valuing the essentials

- Our Vision
- Value creation of Redeia's business model
- A Sustainable Growth Strategy
- A Cutting-Edge Corporate Governance Model
- Industrial Capital: Electricity
- Industrial Capital: Connectivity
- Technological and Intellectual Capital
- Financial Capital
- Natural Capital
- Human Capital
- Social and Relational Capital
- Leadership in Sustainability

Our Vision

Energy transition, connectivity and people are consolidating into necessary and key axes for the present and future, in a context marked by the need for awareness and action in the face of the global social, environmental, ethical, and economic challenges affecting the planet and society that we must confront.

Redeia is facing 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 2030 Sustainability Commitment. This commitment is deployed through the 2023-2025 Sustainability Plan, which ensures

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

In this sense, Redeia is now taking another step forward with its Comprehensive Impact Strategy, from which it will deploy all its social and environmental action, seeking a global scope that reaches the entire geography, involves all business areas and positions the company in society as a key and valuable partner to move towards sustainable development.

The progress achieved in 2023 is only possible thanks to the talent and human excellence of the people throughout the group, as well as collaboration and partnership with our stakeholders.

Our services

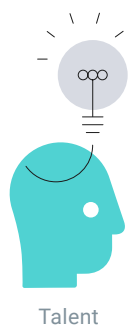
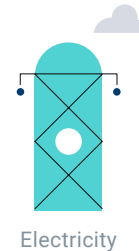


Beatriz Corredor Sierra
Chairwoman of Redeia

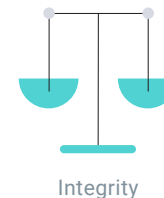


Roberto García Merino
Chief Executive Officer of Redeia

Our Hallmarks



Ethical Values



Redeia is the global manager of essential infrastructures. A driver of the energy transition and universal connectivity.

Purpose

To guarantee electricity supply and supply in the area of telecommunications, promoting a fair ecological transition based on sustainability criteria, whilst showcasing our neutrality and and contributing to social and territorial cohesion.

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Value creation of Redeia's business model

Our Capitals

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 satellites in operation
2 electricity control centres
4 satellite control centres

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% financing ESG

HUMAN CAPITAL

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

NATURAL CAPITAL

€24.9 M spent on protection and conservation of the environment
90% of Redeia's businesses have ISO 14001 certification

SOCIAL AND RELATIONAL CAPITAL

€10.6 M of investment in the community
95 agreements with local administrations (Spain)

838 social initiatives
2,069 suppliers

4 Telecommunications business Hispasat (satellites)



1 Electricity business Red Eléctrica

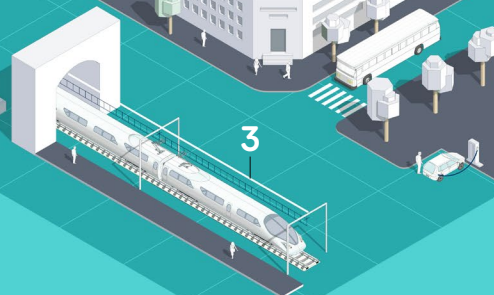


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3 Telecommunications business Reintel (optical fibre)



5 Technology and innovation services Elewit



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

Network of interconnections with neighbouring countries



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

CUSTOMER

97.61% electricity grid availability in Spain (Iberian Peninsula)
99.95% transmission grid availability in Peru (Redinter)
99.87% transmission grid availability in Chile (Redinter)
100% satellite fleet payload availability integration

SUPPLIERS

€1,103 M certificates to suppliers
94.2% spent on suppliers within the European Union

ENVIRONMENT

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

SOCIETY

€608.1 M GDP contribution from investment in Spain
USD 4.1 M, USD 1.2 M and USD 34.0 M GDP contribution from investment in Chile, Peru and Brazil
€646 M Tax contribution

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A Sustainable Growth Strategy

2021-2025 Strategic Pan

The 2021-2025 Strategic Plan prioritises the development of the energy transition in Spain in order to move towards a decarbonised economy efficiently, promoting the growth achieved in the field of telecommunications and consolidating the group's activity abroad, as well as embracing innovation, talent, and sustainability as the basis of our corporate culture.



2021-2025 Commitments

Total Investment

€5,000 M

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

Financial Efficiency 2025

EBITDA Margin

70%

FFO / DEBT Ratio

>15%

Net debt/ EBITDA Ratio

<5x

Maintain a solid credit rating

Dividend policy

2021-2023
€1.0
per share

2024-2025
AL MENOS
€0.8
per share

2023-2025 Sustainability Plan

The 2030 Sustainability Commitment is deployed through multi-year plans. The 2023-2025 Strategic Plan, approved by the Board of Directors, 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.

2023-2025 Sustainability Plan: courses of action

Decarbonisation of the economy

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

A responsible value chain

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

Contribution to environmental development

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

Anticipation and action for change

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

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A Cutting-Edge Corporate Governance Model

Redeia has a robust and transparent corporate governance system that adopts best practices and is an

essential strategic element to ensure the company's good governance.

Governance structure

General Shareholders' Meeting

Board of Directors

- Audit Committee
- Appointments and Remuneration Committee
- Sustainability Committee

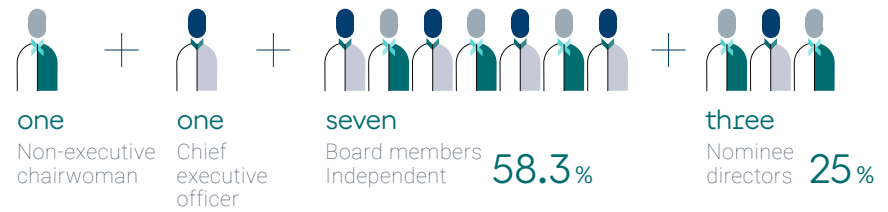
Management team



INTERNAL RULES OF GOVERNANCE (31 December 2023)

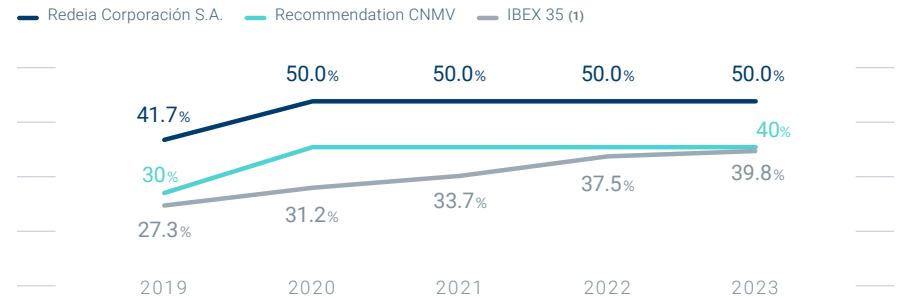
- Code of Conducts and Ethics.
- Company Statutes.
- Regulations of the Board of Directors.
- Internal Regulations of the Stock Exchange.
- Regulations of the General Shareholders' Meeting.
- Procedure on proxies, voting and information by remote means at the General Shareholders' Meeting (referring to the General Shareholders' Meeting held in 2023).
- Operating Rules of the Shareholders' Electronic Forum (referring to the General Shareholders' Meeting held in 2023).

A smaller, more balanced and efficient Board of Directors



Redeia was the first IBEX 35 company with an equal number of men and women on the Board of Directors, as well as being one of only five companies chaired by a woman in 2023.

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



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

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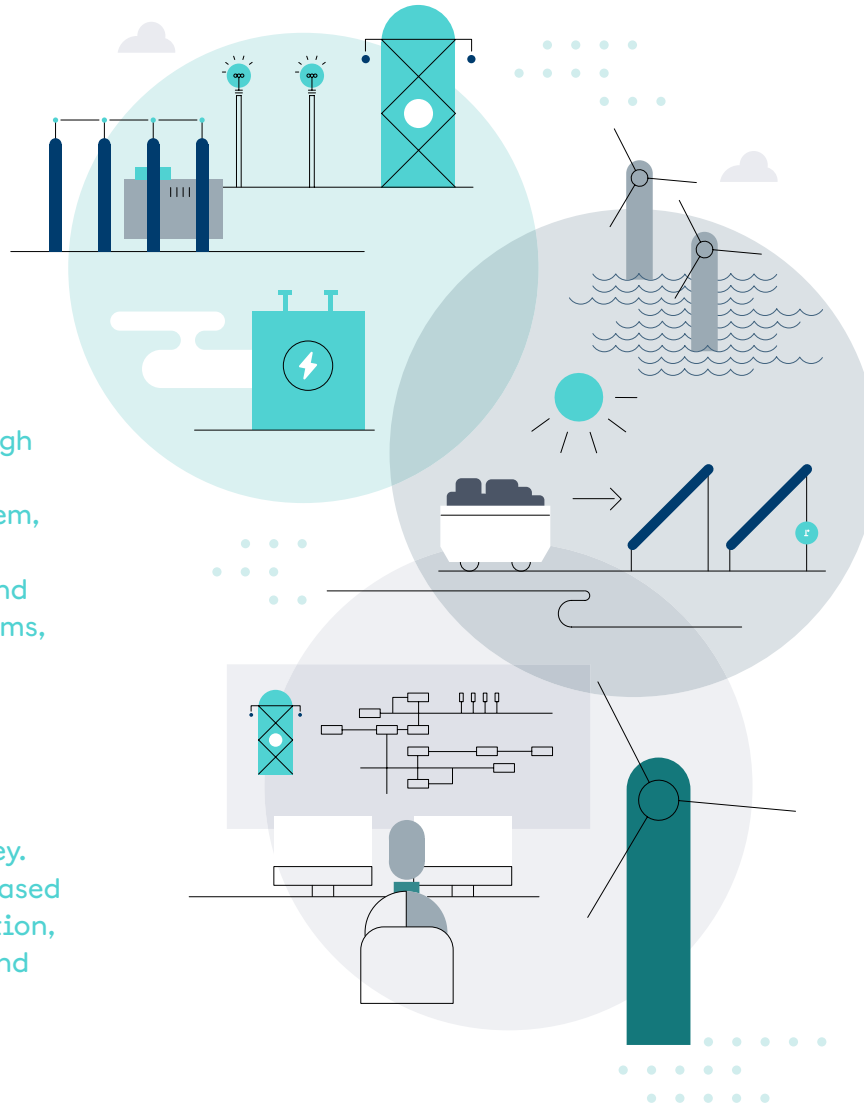
Industrial Capital: Electricity

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.



Indicators for 2023

- 157 kilometres of new lines and 143 new substation bays.
- €744.6 million invested in the transmission grid.
- 50.3% of electricity generation from renewable sources in the national electricity system.
- 27 ongoing R&D projects to improve the electricity system operator's tools.

Milestones in 2023

- Commissioning of the subsea link between Ibiza and Formentera.
- Progress of civil works at the Salto de Chira pumped-storage hydroelectric plant in Gran Canaria.
- Progress on the extension of the Centinela substation at Redenor 2 in Chile and commercial operation of TESUR 4 in Peru.
- New all-time highs in instantaneous power, hourly energy, daily energy, and coverage of instantaneous demand from wind and photovoltaic electricity generation in the Peninsular electricity system.

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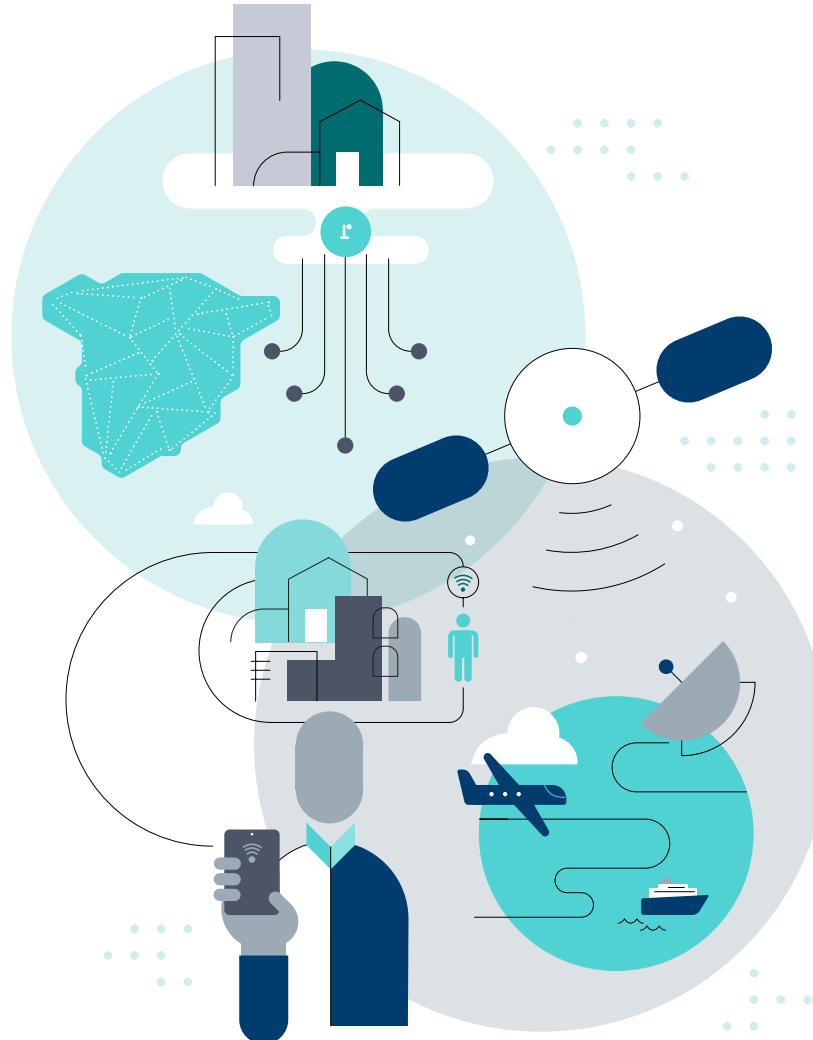
Industrial Capital: Connectivity

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.



Indicators for 2023

- 49 out of the 50 Spanish provinces have dark fibre coverage through over 52,000 km of fibre optic network.
- 41 interconnection points between the transmission grid and the railway network.
- 10 satellites in operation and 4 control centres.
- 83.8% Net Satellite Customer Satisfaction Index.

Milestones in 2023

- Start of construction of facilities outside the electrical and railway environments in Reintel.
- Launch and commissioning of the Amazonas Nexus satellite.
- Hispasat joins the European Consortium for the tender of the future IRIS2 satellite constellation.
- Launch of the "Conéctate 35" program for high-speed satellite connectivity (100 Mbps) in rural areas.
- ISO 14001 AENOR certification for environmental management systems in Spain for the activities of Reintel and Hispasat.

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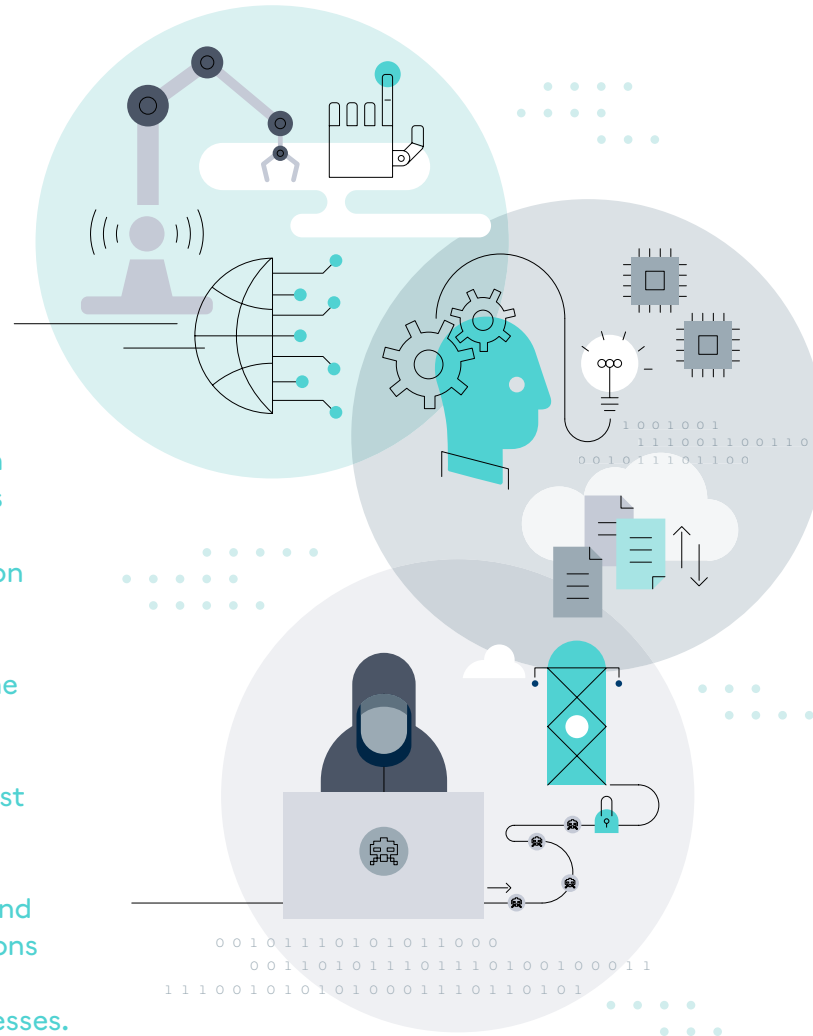
Technological and Intellectual Capital

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 respond to these needs, including not only the development of new solutions, but also the monitoring and adaptation of appropriate innovations and technologies that allow for the improvement of the company's processes.



Indicators for 2023

- 12 innovative technological solutions adopted.
- 30 technological partnerships formalised.
- 2 intrapreneurship Venture Builder initiatives generated.
- 95.1% achievement of the Annual Information Technology Plan.

Milestones in 2023

- Definition of a model for the exploitation of intellectual and industrial property.
- Extension of innovation tools to Latin America.
- Consolidation of open innovation tools as a source for generating start-ups and business models and a lever for cultural transformation.
- Expansion of cybersecurity and robotics ecosystems.

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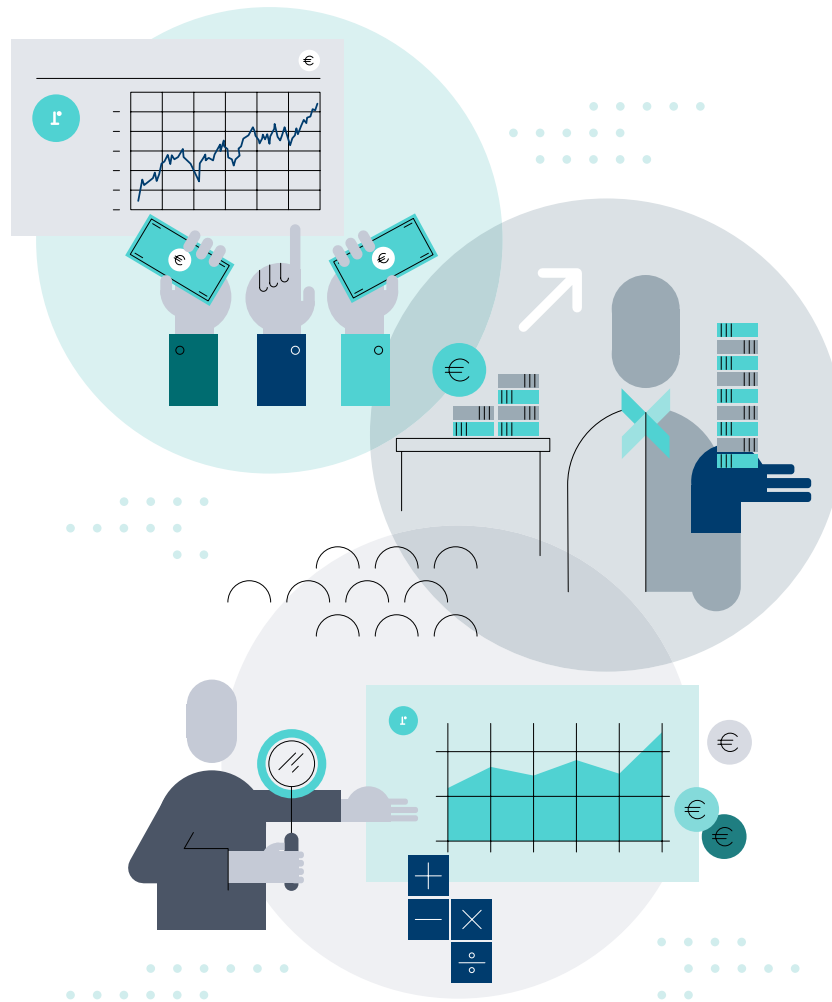
Financial Capital

Key Aspects

- Financial strategy
- Profitability for shareholders
- Tax transparency

Redeia shows steady growth based on solid economic results and maintains a clear focus on operational efficiency and continuous value generation.

To achieve this, it conducts responsible and transparent management aligned with its sustainability commitment and develops a financial strategy that promotes sustainable and innovative funding sources.



Indicators for 2023

- €1,507.8 million in Gross Operating Profit (EBITDA).
- €689.6 million in net profit.
- €4,975.4 million in net financial debt.
- 59% of financing meets ESG criteria.

Milestones in 2023

- Steady company growth, achieving solid economic results and significant strengthening of its key financial indicators.
- Issue of the first hybrid green bond by the company, for an amount of €500 million.
- Integration of loans from the European Investment Bank into Redeia's green framework.
- 83.4% of Red Eléctrica's investment figure (CapEx) corresponds to eligible activities aligned with the environmental objectives in the EU Taxonomy.

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Natural Capital

Key Aspects

- Integration of facilities in the Biodiversity
- Landscape
- Circular economy
- Climate change

Redeia has a strong environmental commitment. Combating the climate emergency involves developing ambitious strategies aimed at achieving carbon neutrality.

Defining objectives that focus on habitat and species protection and conservation, aimed at reducing biodiversity loss, is also crucial. In addition, it is crucial to incorporate criteria based on the concept of circularity that optimise the consumption of resources, minimise the environmental footprint of the facilities and focus on waste reduction.



Indicators for 2023

- Over 30 Environmental Impact Assessments (EIA) conducted.
- 767.4 kilometres marked in critical priority areas (77.4% of the total identified).
- 24% reduction in scope 1 and 2 emissions compared to 2019.
- 93% of electricity consumed came from renewable sources.

Milestones in 2023

- Development of a strategy to help the substations linked to the interconnection project between Tenerife and La Gomera in Spain blend in with the surrounding environment.
- Baseline calculation and quantitative assessment of impacts (both negative and positive) on biodiversity implemented in projects involving new facilities.
- Significant increase in the percentage of recycled waste (98.35%) after the implementation of our 0 waste to landfill programme.
- 100% offset of scope 1 emissions.

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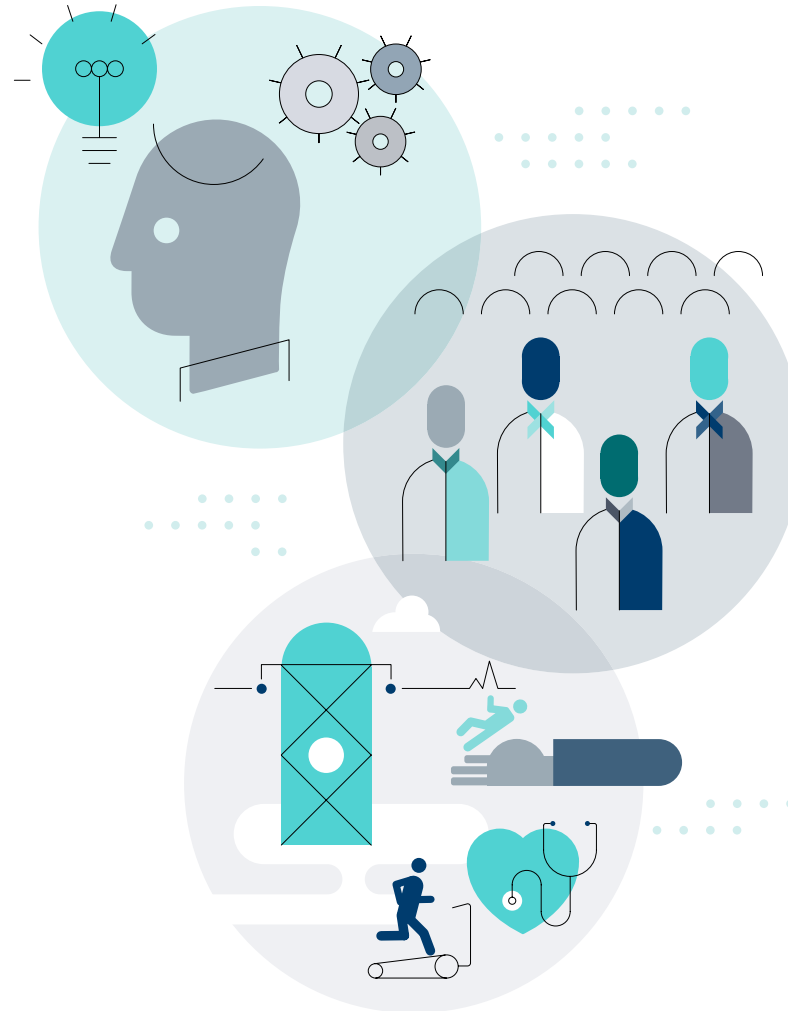
Human Capital

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 well-being of people.



Indicators for 2023

- 98.7% permanent positions.
- 28.9% women in the workforce.
- 94.8% of staff trained.
- Accident severity rate for in-house staff 0.02 and contractors 0.50.

Milestones in 2023

- Signing of the XII Collective Bargaining Agreement of Red Eléctrica and the Collective Bargaining Agreement of Redeia Corporación S.A.
- Development of the new 2023-2025 Comprehensive Diversity Plan and the new 2024-2030 Disability Plan.
- Development of the new 2024-2025 Occupational Health and Safety Plan.
- Launch of the new Campus space.

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Social and Relational Capital

Key Aspects

- Social Development within the Territory
- Relationship with the Environment
- Supply Chain

Obtaining a social license to operate is key for any project's development. To achieve this goal, we must intensify active listening to the needs and demands for information from the different territories, facilitate dialogue mechanisms and create 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, as well as extending this commitment to all links in the supply chain.



Indicators for 2023

- 85 #Contraladesigualdad (#Againstinequality) 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.
- Over 1,500 visitors have toured Red Eléctrica facilities and control centres, both in person and virtually.
- 61.5% of suppliers with ESG risk have been audited.

Milestones in 2023

- Approval of Redeia's Comprehensive Impact Strategy to implement all its social and environmental initiatives.
- Partnerships with local action groups across Spain.
- Launch of the "Redes para renovables" ("Grids for Renewables") project alongside the Renewables Grid Initiative and the Renewables Foundation.
- Design of a model for integrating sustainability criteria into procurement processes.

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Leadership in Sustainability

ESG Profile of Redeia

Sustainability analysts	Scale	Results	Progress
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



Recognition

- Innovation in Renewable Energy Storage Award for the Year 2023, awarded by RENMAD to the HESSTEC RES+ project.
- Award for the best energy efficiency initiative in 2023, granted by *Periódico de la Energía* to the Dynamic Line Rating (DLR) initiative for optimising the transmission capacity of power lines.
- Recognition for the projects for SF₆ / SO₂ sensor deployment systems and the platform for automatic interpretation of partial discharges at the Regional Ibero-American CIGRE Meeting in Brazil.
- For the fourth year in a row, leadership in the transparency fiscal responsibility ranking for IBEX 35 companies awarded by the Haz Foundation, earning the "t*** de transparente" seal.
- Winner of the "10th Anniversary All-Star Awards" and runner-up to the "Good Practice of the Year" award for the ECONcrete initiative that boosts the regeneration of marine life by the RGI (Renewables Grid Initiative) organisation through the "Bosque Marino" (Marine Forest) project.
- Award for the best social action initiative at the VI Diversity, Equity, and Inclusion Awards of the Adecco Foundation for the #ContraLaDesigualdad programme. Fostering living networks.

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Redeia's IV Sustainability Conference brought together around thirty expert voices from different fields, consolidating this forum for debate and reflection.

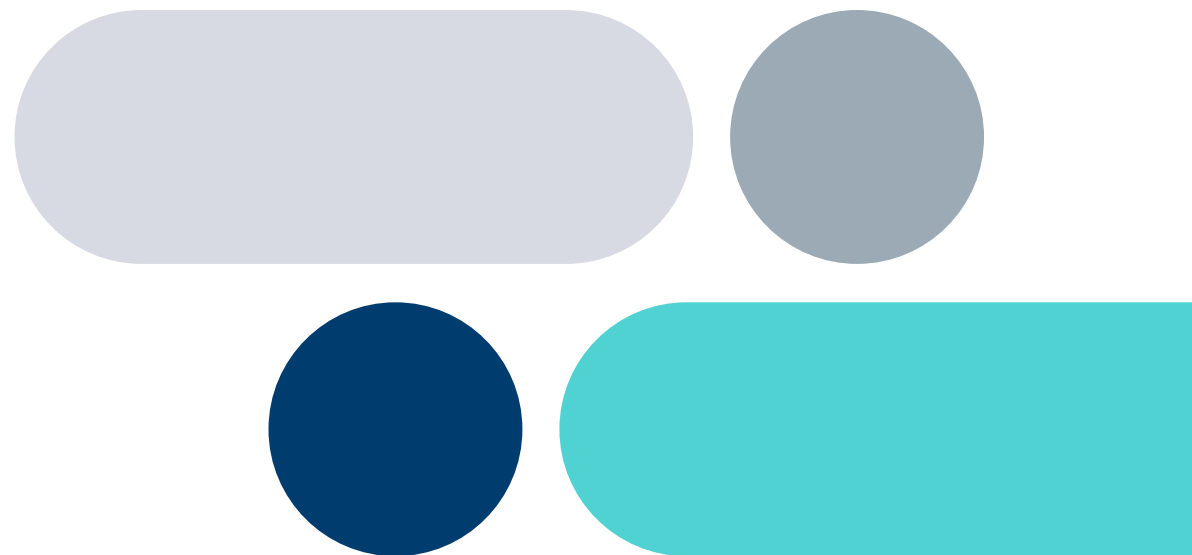
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