



2023 | Annual Impact
Measurement
and Management
Report

OUR SOCIAL VALUE

redeia

Valuing the essentials

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Limitations of impact measurement

Nature of and responsibilities for this report

The impacts developed and the results calculated have been carried out under a rigorous process of internal analysis and comparison of external methodologies. The current lack of universal standards allows companies to adopt different measurement methodologies, which may hinder the comparability of results between entities. The comparability of metrics may also be affected in the future due to the continuous improvement process to which the methodologies used and impact measurement in general are subject.

The scope of this report includes all companies in which Redeia holds a shareholding of more than 50%.

Executive summary

1





Following the publication of the inaugural report last year, this document presents Redeia's second consolidated impact study, continuing the detailed examination of the effects of the Company's activities during the 2023 financial year. This analysis not only builds upon the foundational methodology established previously but also sets the stage for ongoing evaluation and monitoring, aiming to measure the impact of Redeia's activities on its stakeholders with increased accuracy.



Through this updated Impact Report, Redeia aims to build on previously gathered insights and further refine its approach to managing impacts while continuing to provide an overview of the shared social value generated.



As defined by the Chair of Social Impact at Comillas Pontifical University, an impact refers to the enduring changes that affect both people and the planet, resulting from specific activities, projects, programs or policies. This report is built upon this definition, further exploring the tangible outcomes associated with the Company's operations.

Measuring impact is a challenging but crucial task to grasp the true societal value of business activities. Building on previous efforts, Redeia advances its commitment to transparency and social responsibility

by releasing an updated **Impact Measurement and Management Report**. This report aims to provide a comprehensive view of the estimated annual shared value generated within its operational context and how the Company manages its impacts, continuing its journey toward sustained impact measurement.

Throughout 2023, Redeia has been working on the design and implementation of its Comprehensive Impact Strategy. This represents a new global framework for the Company's interactions with the environment and for deploying its





Redeia's Comprehensive Impact Strategy serves as a foundational framework to guide the Company's strategic decisions towards enhancing positive outcomes and mitigating adverse effects.



infrastructure in a way that aligns even more closely with its ambitions in environmental, social, and governance fields.

The Strategy is led by the Comprehensive Impact Committee, which includes representation from Redeia's top management, investment area, and all aspects concerning society and natural capital. In this regard, the impact measurement results presented in this report will be addressed by this Committee, which can propose management and action strategies to minimize negative impacts and contribute to a greater positive impact.

Redeia's significance to its stakeholders is further highlighted by its commitment to the sustainable transition of the value chain and a culture of responsibility. The Company is actively working to minimize its environmental footprint, enhance the working and social conditions of its employees and suppliers, and support the communities where it operates.





This approach helps neutralise many potential negative impacts while generating positive value in areas like ecological transition, economic and social development, and ecosystem

protection. Additionally, Redeia's efforts in diversity, innovation, and human capital development are also notable.

The methodology employed is based on international standards and aims to measure identified impacts across economic, social, and environmental dimensions within the value chain. This is accomplished using proxies or social multipliers that enable the monetisation of the impacts arising from company activities, providing a valuable tool that facilitates decision-making and enhances transparency in the sector. However, caution

is advised when interpreting these measurements, as there are areas for improvement, particularly due to the challenges in finding suitable tools for comprehensive impact assessment.

The results are quantified in an impact index that evaluates Redeia's economic, environmental and social externalities relative to its net financial profit. With a total impact index of +1,315, the value of the Company's externalities can be interpreted as generating 13.15 € for society by every euro of net profit in 2023.



The value of Redeia's externalities can be interpreted as generating 13.15 euros for society by every euro of net profit in 2023.



1.1

Categorised by strategic priorities, as outlined in the Company's 2030 Sustainability Commitment, the 2023 results highlight Redeia's significant contribution to social, economic, and environmental development. The Company excels particularly through the facilitation of electricity

supply and connectivity, which are crucial drivers of economic and social activities and help safeguard basic human rights. This pillar alone contributes a social value equivalent to 11.8 times its net profit. The most significant impacts include access to and guarantee of electricity

1.1 Impacts fiscal year 2023 by strategic priority



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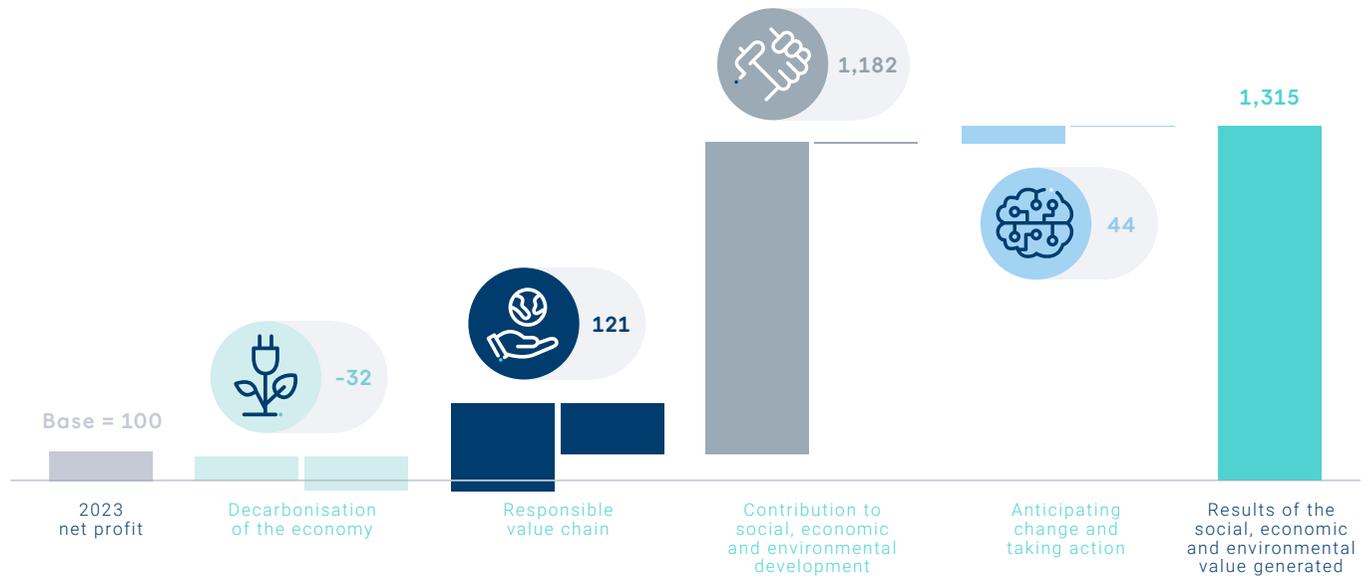
Redeia stands out for its contribution to the development of the environment through the enabling effect of electricity supply and connectivity as essential vectors of economic and social activity and for safeguarding basic human rights.



supply for both the economy and households, connectivity, and the economic multiplier effect of Redeia's activities. When considering all strategic pillars, Redeia's total positive impact amounts to 16.1 times the company's net profit. To carry out its activity, Redeia requires equipment whose raw materials are the main source of negative externalities, which together amount to almost -3 times the net profit.

These results will significantly contribute to Redeia's impact management strategy, which aims to maximise positive impacts and neutralise the negative effects of its activity on its stakeholders and the environment.

Impacts fiscal year 2023 by strategic priority



Results are expressed in terms relative to net financial profit in 2023 (net profit = 100). For more information on the construction of the index, see Chapter 3.

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Introduction

2_





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. It also operates telecommunications networks, including optical fibre and satellites, emphasising innovation and sustainability. Founded in 1985 as the world's first TSO (sole transmission agent and operator of the electricity system), Redeia has grown into a key reference in the electricity and telecommunications sectors. Committed to a business model based on excellence, innovation, integrity, and transparency, Redeia strives to harmonise its operations with environmental stewardship and the creation of shared value for society.

Today, Redeia serves as a foundational pillar socially, environmentally and economically within its areas of operation. The Company has crafted a strategic roadmap centred around these

three pillars: to efficiently manage and ensure electricity supply and to offer telecommunications connectivity that help connect people (social pillar); to support the ecological transition by advancing a decarbonised system (environmental pillar); and to provide essential services for the other sectors of the productive system (economic pillar).

The aim of this report is to present the impacts identified and quantified derived from Redeia's activity, highlighting the creation of shared value for society, as outlined by the methodology described in the following section. This report serves as a dynamic tool in a continuous process of improvement, enriching the information accessible to all stakeholders of the Company.

The findings from the quantification of these impacts are incorporated into Redeia's decision-making processes to refine management practices, and to proactively address regulatory shifts and potential financial risks.



Redeia is committed to being a catalyst for change: to ensure a reliable electricity supply and connectivity, promoting a fair ecological transition guided by sustainability principles, valuing its neutrality and contributing to social and territorial cohesion.



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Context

Since the introduction of the United Nations Sustainable Development Goals in 2015, there has been a growing advocacy for monetising social and environmental impacts.

This approach helps in evaluating the true performance of organisations, shifting the focus from purely financial metrics to a more comprehensive assessment that includes social and environmental dimensions.

2.1 Impact measurement at Redeia

2.1



To achieve this goal, organisations like Harvard Business School, the Value Balancing Alliance (VBA), and their partners, including the International Foundation for Valuing Impacts (IFVI), have been at the forefront of impact monetisation. Harvard Business School advances this effort through its Impact Weighted Accounts, while the VBA and IFVI collaborate to develop the impact account system, a globally applicable and comprehensive open-source methodology for valuing social and environmental impact, designed for integration into financial analysis and organisational planning and decision-making. Their approach aligns with the Corporate Sustainability Reporting Directive (CSRD) of the European Commission, which requires impact quantification in financial terms through detailed and quantifiable data.

In a context where companies are increasingly assessed on their ability to create positive impacts and drive social transformation,

Redeia has shifted from traditional indicators related to investment and results to a Comprehensive Impact Strategy which includes a global impact measurement model.



Redeia's focus on impact measurement has led to significant advancements in traditional processes and performance indicators.



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One of the key methods for quantifying (or monetising) impacts is the use of social value multipliers, often referred to as proxies⁽¹⁾. This approach allows for the economic valuation of impacts, aiding in decision-making for companies and other stakeholders. Monetisation translates a company's externalities⁽²⁾ into a single unit, i.e., to give a monetary value to the impacts it generates on its environment and stakeholders, thus serving as an effective

management tool for both internal and external decisions. Additionally, it presents the results of the analysis in units that are generally more comprehensive to stakeholders, enhancing transparency and accountability.

However, it is also essential to recognise that monetising impacts using proxies has its drawbacks. In some instances, accurately assigning a precise monetary value to certain impacts can be challenging, particularly those with long-term effects or those in areas less explored by research. Furthermore,

monetisation might oversimplify complex issues or result in the overvaluation of impacts that are readily quantifiable in monetary terms, potentially overshadowing other significant impacts that are harder to monetise. Therefore, it is important to rely on robust methodologies and well-established sources of information for such analyses.

(1) An example of a proxy or social value multiplier used is the social cost of carbon, which values each ton of CO₂e emitted or avoided based on the potential effects that climate change can have on society, the environment, or the economic system.
 (2) Externalities: secondary effects, positive or negative, for society, the environment or any stakeholder, generated as a result of the Company's activity and not reflected in the production costs of a good or service and, therefore, not reflected in their market price. Source: "Challenges and opportunities in measuring social impact", Management Solutions (2022).



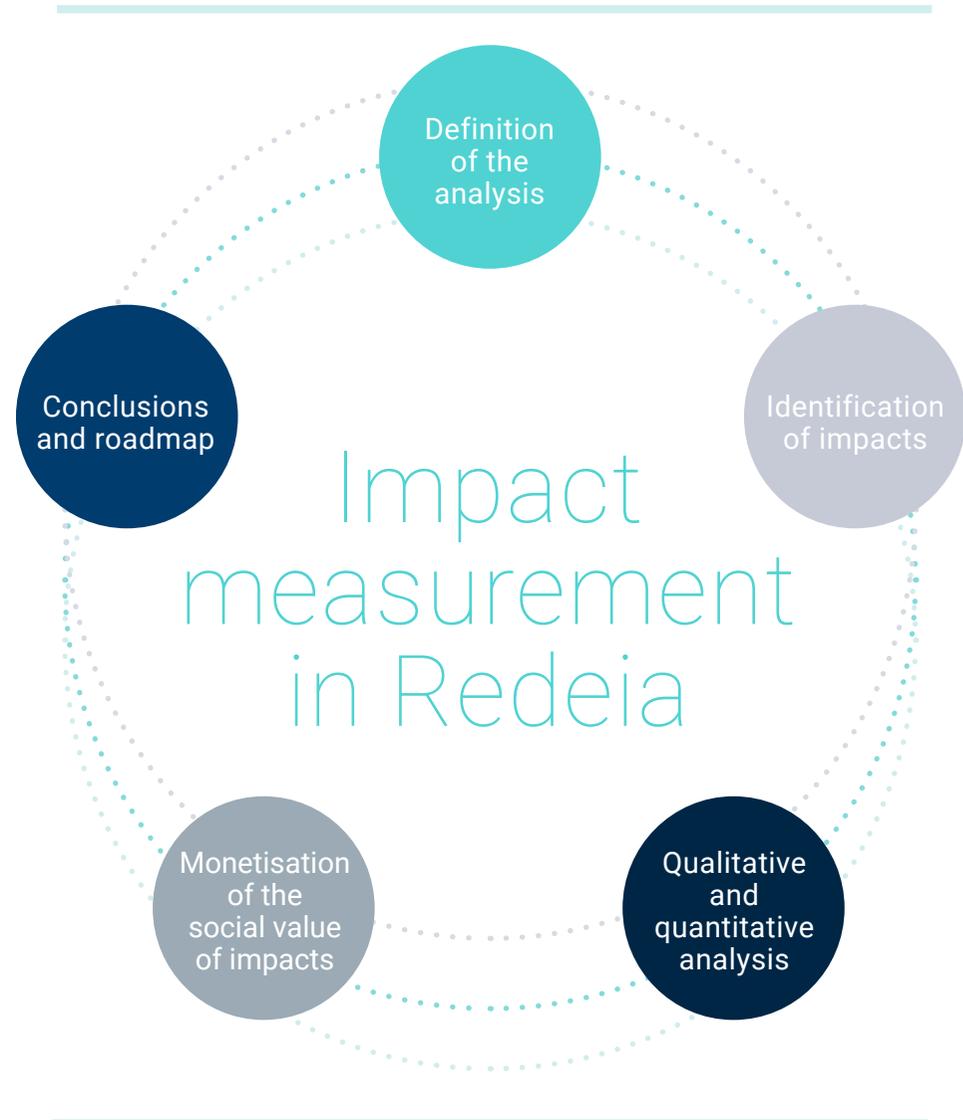


Redeia's methodology

Redeia's impact measurement process adheres to the phases established by international reference institutions such as the World Business Council for Sustainable Development (WBCSD) and the Capitals

Coalition, as well as national reference institutions such as the Chair of Social Impact of Comillas Pontifical University.

Monetising impacts involves assessing the economic value of environmental and social effects. Here are the main phases to follow for impact measurement and ensuing monetisation:



Redeia's impact measurement process adheres to the phases established by international reference institutions.

- **Definition of the analysis:** during this phase, the most significant findings in the economic field, worldwide best practices, and methodological methods for measuring the impact were considered in order to ensure the estimation of robust results. To this end, it was developed a rigorous measuring technique tailored to evaluate the impact of the specific activities carried out by Redeia, and give an early estimate of the Company's social worth to identify potential areas for development. Similarly to Redeia's 2022 Annual Impact Measurement and Management Report, in this framework the impacts associated with the

last fiscal year, 2023, have been monetised by annualising the value of those externalities that are originated by the Company's activities.

- **Identification of impacts:**

in this phase, a thorough examination of Redeia's business model was conducted. The analysis encompassed every stage of the value chain, considered the impact on stakeholders, and aligned with the International Integrated Reporting Council's six capitals framework. Relevant tools, including the Company's dual materiality analysis, were employed during the process, allowing Redeia to identify over 20 positive and negative

impacts related to its operations. These findings provide valuable insights for strategic decision-making and sustainability efforts.

- **Qualitative and quantitative analysis:** after identifying the primary externalities associated to Redeia's activities, a qualitative study was





conducted to determine the Company's effects on the natural environment, its stakeholders, and the economy. Moreover, Redeia's management strategy has leveraged the Company's impact indicators to assess performance and enhance outcomes.

- **Monetisation of the social value of impacts:** the social and economic contribution of Redeia has been estimated using its key performance indicators as well as proxies or academic multipliers from institutions of international prominence. To this end, the criteria of organisations such as the VBA, the IFVI, Harvard Business School's Impact-Weighted Accounts, the World Business Council for Sustainable Development (WBCSD), and the Capitals Coalition, among others, were followed.
- **Conclusions and roadmap:** the final stage of the research

included an evaluation of the findings and the creation of a comprehensive roadmap to monitor the Company's progress during the impact evaluation process. Regarding the achieved outcomes, it is worth stressing their significant association with the Company's core business, which consists of ensuring the access, availability, security of electricity supply and connectivity. As part of Redeia's ongoing improvement initiatives, the Company is committed to examine and analyse information related to its social and economic impact across various subsidiaries by the end of 2024. Additionally, the Company is enhancing the robustness of complex impacts by integrating developed *ad-hoc* monetisation methodologies tailored to its business.

However, it is important to remark that the assessment of the

societal benefits originated by Redeia's operations is an ongoing process, whose effectiveness will be enhanced over the years. This involves incorporating new accessible information and aligning with future legal changes and best practices both at national and international levels.



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Redeia has an impact management framework structured through different commitments, plans and strategies that will continue to be refined using the information from this study, with the aim of reducing negative

impacts and amplifying positive ones. Presented below are the organisation's principal commitments and strategies. For further information, the comprehensive list can be found in the [2023 Sustainability Report](#). [↪](#)

2.2 Impact management at Redeia

2.2

Commitments and impact strategy of Redeia

Comprehensive Impact Strategy

With the aim of enhancing Redeia's positive societal impact and engage with local communities, during 2023, the Company has worked on defining its Comprehensive Impact Strategy. This new global action framework outlines Redeia's relationships with the environment and seeks to align its infrastructure deployment more closely with its environmental, social, and governance ambitions.

Led by the Comprehensive Impact Committee, and therefore including representation from the Company's top management, the 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.

The Comprehensive Impact Strategy involves conducting territorial and socio-economic diagnoses in key projects. These diagnoses include sociological and cultural studies of the affected communities and serve as the basis for identifying priority stakeholder groups. Based on this, an action plan is developed for these priority groups that promotes proper management of significant economic, social, and environmental impacts. 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 Strategy has dedicated funds (territorial investment) that are awarded based on an allocation process by the Comprehensive Impact Strategy Steering Committee.

2021-2025 Strategic Plan

In 2021 the Board of Directors approved the 2021-2025 Strategic Plan to fulfil Redeia's purpose of ensuring electricity supply and telecommunications connectivity while promoting a fair ecological transition and contributing to social and territorial cohesion.

This plan prioritises the development of the ecological transition in Spain to move towards a decarbonised economy, boosting development in the field of telecommunications. The Plan is articulated around seven main strategic pillars (Making the ecological transition in Spain a reality; Boosting connectivity; Consolidating the business activity abroad; Innovation and technology; Efficiency; Managing people; and Sustainability, as a strategy outlining the entire Plan), which are developed in 25 initiatives and their corresponding lines of action.

2030 Sustainability Commitment

Redeia is committed to a strategic, transversal commitment to sustainability with a forward-looking perspective. This is reflected in its 2030 Sustainability Commitment to Sustainability 2030, approved by the Board of Directors, which materialises the Company's commitment to long-term continuity and success by adopting a business model capable of creating shared value for all stakeholders through the responsible development of its activities.

Based on the principles of the Sustainability Policy, the Commitment is structured into priorities with respective medium (2025) and long-term (2030) objectives: decarbonisation of the economy, responsible value chain, contribution to social, economic, and environmental development, and anticipating change and taking action.

Continued on the next page

Commitments and impact strategy of Redeia

Double-materiality analysis

The Materiality study aims to identify the issues that shape Redeia's sustainability management and accountability priorities, significant to long-term value creation. These insights help prioritise actions and allocate resources effectively, thereby guiding the content of the Sustainability Plan.

The methodological approach applied in Redeia's latest materiality study revolves around the concept of double materiality. This focus allows for the identification of sustainability issues that are relevant to the group, considering both the impact on its value proposition, results, situation, and evolution (from the outside-in perspective), and the impact on people, society, and the environment (from the inside-out perspective). In this regard, 13 material issues have been identified and validated by the Executive Committee and the Board of Directors.

2023-2025 Sustainability Plan

The 2023-2025 Sustainability Plan's vision is to maximise Redeia's contribution to sustainable development, promoting responsible management, emphasising the value of its internal transversality and external alliances, and consolidating the group as a worldwide reference for sustainability.

The Plan was approved by the Board of Directors in October 2022, following its validation by the Executive Committee, the Sustainability Steering Committee, and the Board's Sustainability Committee. It establishes 14 courses of action, 190 measures and 87 objectives, which ensure responsible business management and enable progress to be made in the group's sustainability objectives and priorities, responding to the expectations and demands of stakeholders.

2030 commitment for positive net impact on natural capital

Redeia has established a specific Commitment to biodiversity updated in 2023. This commitment includes the objective of generating a net positive impact by 2030 on the natural capital surrounding its new facilities, and is deployed in different lines of action and objectives with a scope extending to 2025. To this end, Redeia follows the hierarchy of impact mitigation: avoid, reduce, regenerate, restore and transform. As part of the first step, and with the aim of avoiding potential impacts before they are generated, natural capital management is carried out based on environmental impact studies. In addition, actions are carried out with milestones set in the short and medium term (2025 and 2030), such as habitat regeneration, recovery of vulnerable species or the creation of biodiversity reservoirs around electricity infrastructures.

Continued on the next page





Commitments and impact strategy of Redeia

Climate Change Action Plan

In 2011, Redeia materialised its voluntary commitment to fight against climate change through the implementation of the Climate Change Action Plan. This Plan was updated in 2021 to increase its ambition and align it with the global objective of the Paris Agreement to limit the average temperature increase to 1.5 °C.

The Plan is based on four lines of action on which the Company is actively working:

- Contribution to a sustainable energy model through the development of infrastructures to facilitate the electrification of the economy, achieve the maximum integration of renewable energies and make progress in the efficient management of the grid.
- Reduction of the carbon footprint with the establishment of targets approved by the Science Based Targets (SBTi) initiative. Redeia is committed to being greenhouse gas (GHG) neutral throughout its value chain by 2050 (net-zero commitment). Prior to this, by 2030, Redeia undertakes to have reduced its scope 1 and 2 GHG emissions by 55% and its scope 3 emissions by 28%.
- Adaptation to climate change with the periodic assessment of risks and opportunities arising from climate change following the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD).
- Positioning and disclosure to disseminate knowledge and provide complete and transparent information on the electricity system and its role in the energy transition.

Circular Economy Roadmap

In order to become a leading company in circular economy by 2030, Redeia established in 2020 a Circular Economy Roadmap that establishes objectives and actions for its fulfilment. The Company's goal is to incorporate sustainability criteria into 25 critical supplies, thus ensuring the acquisition of more sustainable equipment and materials and 100% resource optimisation.

The Roadmap focuses on the following areas:

- Reduce and transform the consumption of raw materials, prioritising the use of recycled, recyclable, or reusable materials.
- Send zero waste to landfill by 2030 through proper waste management and by eliminating and/or reducing production whenever possible.
- Design sustainable treatment methods for soils and groundwater affected by pollutants, minimise the number of incidents, strengthen accident prevention and response protocols.
- Minimise water and energy consumption.

Continued on the next page



Redeia, through its impact management framework structured by different commitments, plans and strategies, will continue to seek to reduce its negative impacts and amplify the positive ones.



Commitments and impact strategy of Redeia

2023-2025 Comprehensive Diversity Plan

The Comprehensive Diversity Plan was approved in 2023 with the aim of promoting diversity, equity, and inclusion within its workforce and value chain, collaborating with external organisations on related projects, implementing anti-discrimination mechanisms, and supporting employment inclusion for socially vulnerable individuals.

To this end, the Plan sets specific objectives: to achieve women representation of 38% of the Group's management team and 31% of all employees, in addition to reaching at least 40% above the minimum legal requirement in the direct hiring of people with disabilities, and to increase by 20% the volume managed through Special Employment Centres.

Social Innovation Action Plan

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. In this sense, Redeia has four areas of work that focus on reducing digital, territorial, generational and gender inequalities with the aim of improving the quality of life of citizens in their communities.



Redeia's environmental, social and economic impact

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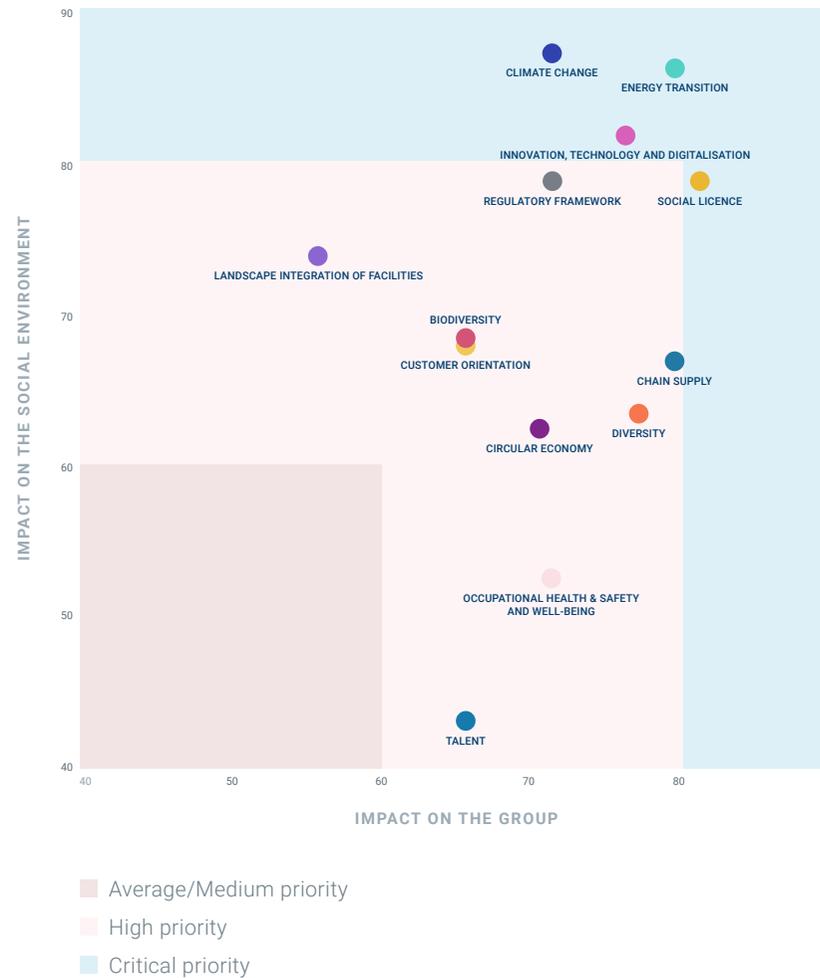
In this report, Redeia focuses on assessing the impacts that arise from its corporate performance, employing the materiality matrix as an essential tool for their identification.



The analysis is based on the double materiality approach, considering perspectives from both financial and impact aspects.



Prioritisation matrix of relevant issues



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 & Wellbeing
- 13 Talent

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

In this context, the principle of "double materiality" has been followed, which combines two key dimensions in the analysis: the significance of issues based on their financial impact on the business and the relevance of the Company's impact on society, the environment, and its surroundings. This dual approach is especially relevant for this publication, highlighting Redeia's critical role as a facilitator in combating climate change, promoting energy transition and innovation, and driving advancements in technology and digitalisation, among other initiatives.

Therefore, these issues, in one form or another, mirror the impacts that have been quantified in the analysis. Due to methodological reasons, some material issues have been segmented into distinct impacts or consolidated in certain instances.

The materiality study is reviewed annually. Given that in 2023, there were no significant changes in trends, business models, etc.,

that could affect the material issues identified, it has not been necessary to update the results of the 2022 matrix.

Impact accounts

The estimated annual impact scoreboard concentrates all identified and analysed impacts. These are organised according

to the four strategic priorities outlined in the Company's 2030 Sustainability Commitment: anticipating change and taking action, responsible value chain, contribution to social, economic and environmental development and decarbonisation of the economy. Each impact is assigned its positive and negative effects, and the cumulative results are



reported both in total and by specific categories.

This study employs an impact index based on net benefit. To calculate it, the values of the determined externalities are normalised using an index that sets the net benefit at 100.

The main impacts, organised by priority, are as follows:

- **Decarbonisation of the economy:** avoided and offset emissions generate a notable positive impact, which partially counterbalances the negative effects of the total emissions produced. However, the overall net impact on decarbonisation remains negative, estimated at -0.3 times Redeia's net profit.
- **Responsible value chain:** the majority of the positive effects quantified originate from the direct impact and the pull effect of Redeia in the economy, whereas the use and supply of raw materials



The priority "Contribution to social, economic and environmental development" has the highest positive impact.



account for the negative impacts. The net impact of this category is positive, equivalent to 1.2 times Redeia's net profit.

- **Contribution to social, economic and environmental development:** all impacts measured in this category are positive. The most significant impact is access to electricity supply and connectivity. This contribution is equivalent to 11.8 times Redeia's net profit.
- **Anticipating change and taking action:** innovation and intellectual capital contributes the most positive effects, while negative effects are primarily associated with diversity. The total net impact of this section is positive, estimated at 0.4 times Redeia's net profit.





The overall net impact index is 1,315 equivalent to return 13.15 euros for society for every euro of net profit in 2023.



Redeia's 2023 impacts

	Positive (base 100)	Negative (base 100)	Net (base 100)
Decarbonisation of the economy	78.67	-110.55	-31.88
Carbon footprint (Scope 1) ↗	0.93	-0.93	0
Carbon footprint (Scope 2 and 3) ↗	0.14	-40.76	-40.62
Avoided and offset emissions ↗	77.59	0	77.59
Greenhouse gas (GHG) emissions from the electrical sector ↗	0	-68.86	-68.86
Responsible value chain	301.16	-179.70	121.46
Own water footprint ↗	0	-0.01	-0.01
Supply chain water footprint ↗	0	-1.02	-1.02
Impact on birdlife ↗	0.02	-0.83	-0.81
Land use ↗	0.67	-2.49	-1.81
Noise pollution ↗	0.73	-0.76	-0.02
Raw material supply ↗	0	-172.38	-172.38
Own waste footprint ↗	0.02	-0.02	-0.002
Supply chain waste footprint ↗	0	-0.75	-0.75
Direct impact and pull effect on economic activity, employment and tax contribution ↗	268.59	0	268.59
Living wage ↗	23.59	-1.27	22.32
Health, safety and wellbeing of Redeia's professionals ↗	7.47	-0.02	7.45
Health and safety of contractors ↗	0.07	-0.15	-0.08
Contribution to social, economic and environmental development	1,181.87	0	1,181.87
Access, availability and security of electricity supply and connectivity ↗	1,130.39	0	1,130.39
Social development ↗	51.48	0	51.48
Anticipating change and taking action	48.34	-4.72	43.62
Innovation and intellectual capital ↗	48.12	0	48.12
Diversity ↗	0	-4.72	-4.72
Training of professionals ↗	0.22	0	0.22
Total	1,610.04	-294.97	1,315.07

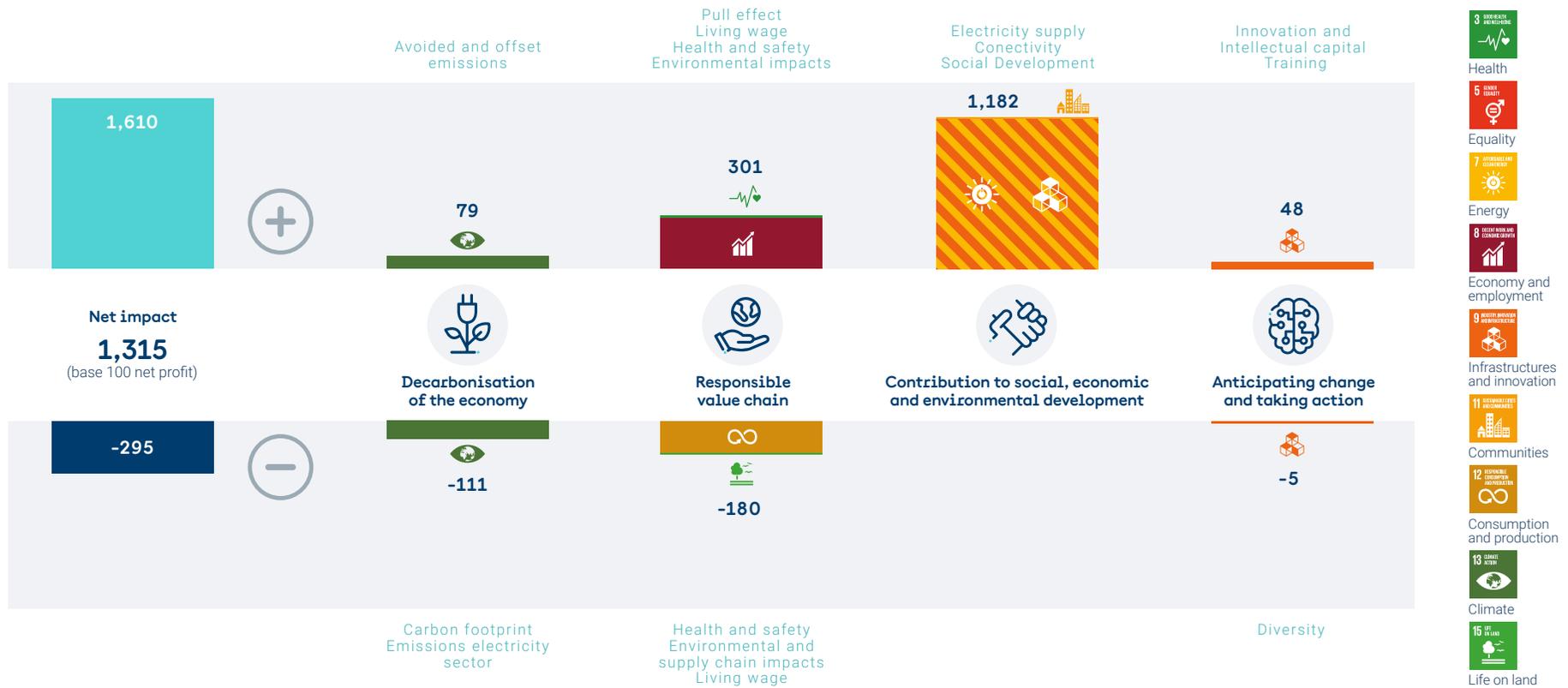
Impacts by strategic priority and SDGs

Organised by strategic priorities, the categories contribution to social, economic and environmental

development, along with responsible value chain, encompass a significant portion of the impacts, which are predominantly positive. These impacts, sorted by priority, are

thoroughly analysed in section **Measuring impacts by strategic priority** ↪.

Impacts of 2023 by strategic priority and SDGs



Main SDGs impacted

In terms of the Sustainable Development Goals (SDGs), Redeia's most significant impacts are observed in SDG 7 "Affordable and clean energy", SDG 9 "Industry, innovation and infrastructure", SDG 8 "Decent work and economic growth", SDG 12 "Responsible consumption and production", SDG 11 "Sustainable cities and communities" and SDG 13 "Climate action". Other goals are

also impacted, although to a lesser degree, such as SDG 3 "Good health and wellbeing", SDG 5 "Gender equality" and SDG 15 "Life on land".

also impacted, although to a lesser degree, such as SDG 3 "Good health and wellbeing", SDG 5 "Gender equality" and SDG 15 "Life on land".

The infographic is divided into several colored sections. The top left features a yellow background with diagonal lines, containing icons for SDG 7 (Affordable and Clean Energy) and SDG 9 (Industry, Innovation and Infrastructure). Below these icons, the text reads: "Electricity supply", "Connectivity", and "Innovation and intellectual capital". To the right, a dark red section features the SDG 8 icon (Decent Work and Economic Growth) and the text: "Economic direct impact and pull effect" and "Living wage". Below this, a brown section features the SDG 12 icon (Responsible Consumption and Production) and the text: "Use of resources". To the right of this, an orange section features the SDG 11 icon (Sustainable Cities and Communities) and the text: "Social development". Below the orange section, a green section features the SDG 13 icon (Climate Action) and the text: "Emissions". To the right of the green section, a red section features the SDG 3 icon (Good Health and Well-being) and the text: "Health and safety". Below the red section, a dark red section features the SDG 5 icon (Gender Equality) and the text: "Diversity". To the right of the dark red section, a green section features the SDG 15 icon (Life on Land) and the text: "Impact of ecosystems".



Impacts by capitals ⁽¹⁾

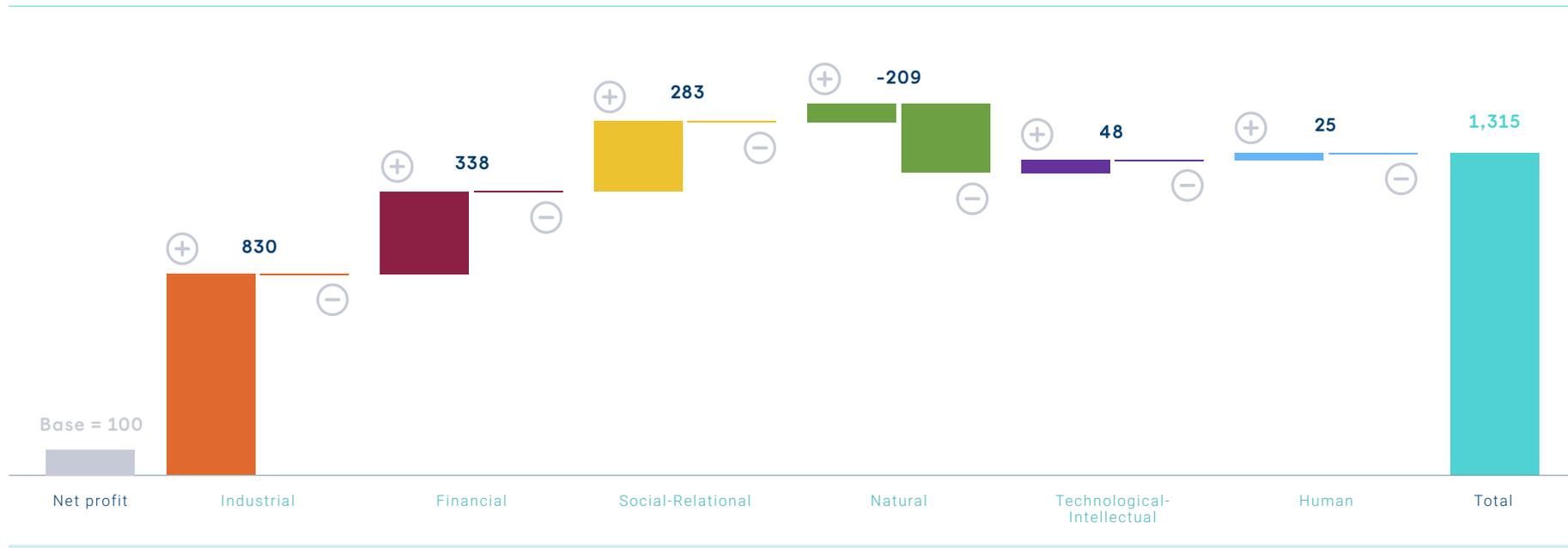
An analysis of Redeia's most significant impacts across the different capitals reveals that industrial capital makes the largest contribution to the overall impact, primarily due to its association with the most significant impact (access, availability and guarantee of electricity supply

to the economy). Financial and social-relational capitals also show substantial positive impacts, followed by natural, technological-intellectual and human capital.

On the other hand, the analysis shows that Redeia's activity negatively affects natural capital, mainly due to the consumption of raw materials for equipment and emissions from the electricity sector. Additionally, there

are some adverse effects on human capital in terms of diversity. However, industrial, financial, technological-intellectual, and social-relational capitals do not experience negative impacts from Redeia's activities.

(1) In line with the Integrated Reporting <IR> Framework developed by the International Integrated Reporting Council (IIRC), capitals are inventories of value that undergo change over time through the organisation's activities. For example, the quality of social-relational capital improves when a company engages with its stakeholders. Six capitals are defined: industrial, financial, social-relational, natural, technological-intellectual, and human.





Methodological changes in 2023

In the pursuit of assessing Redeia's social, economic, and environmental contributions for the financial year 2023, several methodological changes were implemented to enhance the accuracy and robustness of the analysis. The key modifications in comparison to the study carried out in 2022 are:

- **Country-specific impact breakdown:** given the regional variations that arise while assessing the impact of an activity or a business project, Redeia decided to conduct a country-specific analysis. The study meticulously examined the externalities associated with the operations in Spain, Chile, and Peru, considering the distinctive attributes of each nation, such as regulatory frameworks, cultural context, and economic conditions, among others.
- **New proxy for the social cost of carbon:** to better account for its environmental impact, Redeia adopted a novel proxy for the social cost of carbon. Rather than relying on outdated estimates, the Company leveraged data from a 2024 study conducted by the VBA and IFVI. This updated value provides a more robust foundation for assessing the true cost associated with carbon emissions.
- **New proxy for statistical value of life:** in order to estimate the financial value associated with important aspect such as human life, Redeia turned to a new proxy based on an analysis conducted by the Australian Government. This approach uses the willingness to pay to accurately estimate the value of reducing the risk of physical harm, commonly referred to as the value of statistical life. Thereby, it is possible to accurately assess the impact of Redeia's activities on the wellbeing of its professionals.
- **Expanded methodology for "Social development" and "Innovation and intellectual capital" impacts:** the methodology has been extended through a wider and more accurate categorisation of the investments in the domain of social development

and R&D, which were then associated to new and specific proxies. Thereby, it was possible to gain deeper insights into the tangible effects of Redeia's initiatives in these areas.

- **Proxies updated for inflation and exchange rates:** the proxies have been adjusted based on the current inflation levels and corresponding exchange rates as of December 31, 2023. This dynamic approach ensures that impact assessments remain current and reflective of real-world conditions.

In summary, Redeia's methodological enhancements in the 2023 study represent a commitment to a rigorous analysis and a holistic understanding of its impact. These changes allow the Company to navigate the complexities of sustainability more effectively, ensuring that its actions align with positive outcomes for society, the environment and its stakeholders.



Throughout this sub-chapter, each impact is comprehensively analysed within the framework of Redeia's four strategic priorities.

3.1

Impact sheets

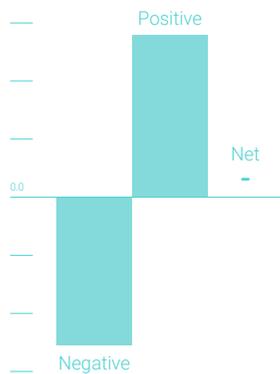
The impacts discussed in this report are schematically outlined using a summary sheet. The template used for each is presented below, along with a brief description of the included sections.

3.1 Measuring impacts by strategic priority

1 Executive summary 2 Introduction **3 Redeia's environmental, social and economic impact** 4 Conclusions 5 References 6 Annex

Name of the impact

Graphical representation of the positive, negative, and net impact generated



Contribution to the SDGs

Main SDG to which the impact contributes



Impact index

[Impact index calculated from the total net result generated by the externality and shown based on Redeia's net profit in 2023 (net profit = 100).]

Robustness

High, medium or limited. [In relation to the robustness of the impact calculation, three levels have been established. The maximum level, "high", corresponds to those methodologies that are widely accepted and whose social multipliers have a high level of confidence. The "medium" level marks a middle ground between the two. The "limited" level refers to methodologies that have a lower level of maturity or whose calculations are based on less rigorous approximations.]

Indicators

[Main indicators considered for the calculation of the impact.]

Targets

[Description of the objectives set by Redeia in relation to the specific impact, which can be both qualitative and quantitative.]

What is measured?

[Brief qualitative explanation about the impact in relation to Redeia's activity and what aspects are included in its measurement.]

Management approach

[Description of how the Company understands, manages, evaluates, and takes responsibility for the corresponding impact in order to reduce its negative effect or enhance its positive effect.]

Strategic lines

[Summary of the main measures implemented by the Company to achieve its objectives or establish the management approach to the impact analysed. The strategic lines provide a clear and coherent guide for decision-making at all levels of the organisation.]

Calculation methodology

[Summary of the approach followed for the calculation of the impact, mentioning, where relevant, the most important proxies used. It is also specified whether any adjustments are made in the calculation to take into account aspects such as impact attribution or inflation.]

Value chain stage

Supply chain, own operations, environment, and society. [Part of Redeia's value chain where the impact occurs. If it occurs upstream, "supply chain" is marked, "own operations" if it occurs as a consequence of Redeia's activities, and "environment and society" for cases where it occurs downstream.]

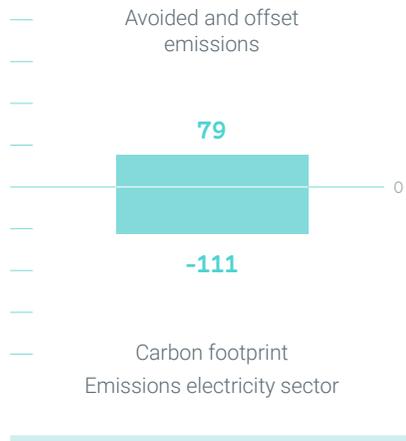
Capital

Financial, industrial, human, technological-intellectual, social-relational, and natural. [Summary of the main capitals that are affected by the impact, although there is an interconnection between many of them. Financial capital refers to the economic resources available to the organisation; industrial capital relates to the tangible assets used in Redeia's operations; human capital refers to all the people present in the Company; technological-intellectual capital refers to Redeia's knowledge, technological-intellectual property and intangible assets; social-relational capital is based on the relationships, links and networks that the Company establishes with its stakeholders or the communities in which it operates; and natural capital refers to the natural resources and ecosystem services that are used by the organisation.]

Stakeholders

Employees, suppliers, financial-economic ecosystem, customers, regulatory bodies and the public administration, business, social or environmental ecosystem. [In this last section, Redeia's stakeholders affected by the impact in question are represented. Most impacts can be interrelated with several stakeholders, although there is generally one main stakeholder group that is more impacted than the rest.]

Descarbonisation of the economy



Decarbonisation of the economy

By prioritising the decarbonisation of the economy as a strategic axis, Redeia aims to actively participate in the energy transition towards a clean, emission-free model. The Company is dedicated to promoting the electrification of the economy and fully integrating renewable energy sources.

The impacts of Redeia in this area are closely associated

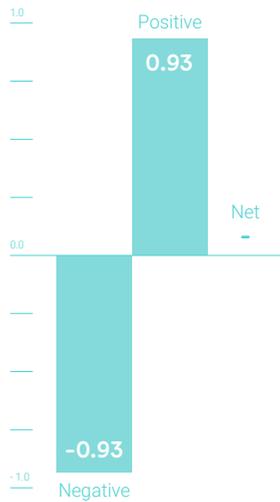
with emissions. Specifically, emissions from the electricity sector and emissions avoided by the integration of renewables represent the most substantial impacts, equivalent to -0.7 and +0.8 times Redeia's 2023 net profit, respectively.



Carbon footprint (scope 1)

Impact index: **Neutral** | Robustness: **High**

Impact



Indicators

- 28,692 tCO₂e** of scope 1 emissions.
- 1,352 tCO₂e** of scope 1 emissions avoided by carrying out SF₆ repairs on equipment.
- 99 tCO₂e** of scope 1 emissions avoided by replacing old equipment with equipment with lower SF₆ leakage rates.
- 28,701 tCO₂e** of scope 1 emissions offset by Redeia Forest (956 tCO₂e) and by VCS⁽¹⁾ (27,745 tCO₂e).

Targets

- 2025** 100% of scope 1 emissions offset. Target achieved in 2022.
- 2025** 30% reduction in scope 1 and 2 emissions.
- 2030** 55% reduction in scope 1 and 2 emissions compared to 2019.
- 2050** 90% reduction in scope 1 and 2 emissions compared to 2019 (net zero emissions).

What is measured?

Scope 1 covers direct GHG emissions from sources that an organisation owns or controls directly. For Redeia, the main source of GHG emissions are gas leaks in its own facilities. The rest of the scope 1 emissions come from fleet vehicles, the refrigerant gas leaks from air conditioning systems and stationary combustion for heating facilities and backup generators.

(1) Verified Carbon Standard.

Management approach

Redeia measures its scope 1 emissions in line with the GHG Protocol and has a specific carbon neutrality framework. Its Climate Change Commitment, approved by the Board of Directors, is aligned with the Paris Agreement and has science-based targets in line with the Science Based Targets (SBTi) initiative.

Strategic lines

The Company has a Climate Change Action Plan focused on the carbon neutrality of its direct and indirect operations based on SBTi targets.

Calculation methodology

In this framework it has been used a proxy developed by the IFVI in partnership with the VBA. This value factor provides information regarding the social cost of carbon, to identify the actual societal and economic burden of emissions to the world. This monetisation tool is used to systematically appraise the efficacy of climate-related policies, strategies, and regulatory measures. By taking into account the potential effects that climate change could trigger in aspects such as GDP, welfare or the availability of raw materials, this proxy reveals the costs associated with each tonne of CO₂ equivalent released into the atmosphere, and therefore it can be applied transversally to all greenhouse gases. In order to provide a comprehensive picture of the impact associated with Redeia's scope 1 emissions, the compensation of carbon associated with the Redeia Forest and the VCS has been taken into account and included in the mitigation of the negative impact. The results have been adjusted accounting for the corresponding exchange rate.

Value chain stage

Supply chain	<input type="radio"/>
Own operations	<input checked="" type="radio"/>
Environment and society	<input type="radio"/>

Capital

Industrial	<input type="radio"/>
Financial	<input type="radio"/>
Human	<input type="radio"/>
Natural	<input checked="" type="radio"/>
Technological-intellectual	<input type="radio"/>
Social-relational	<input checked="" type="radio"/>

Stakeholders

Employees	<input type="radio"/>
Suppliers	<input type="radio"/>
Financial-economic ecosystem	<input type="radio"/>
Customers	<input type="radio"/>
Regulatory bodies and the public administration	<input type="radio"/>
Business ecosystem	<input type="radio"/>
Social ecosystem	<input checked="" type="radio"/>
Environmental ecosystem	<input checked="" type="radio"/>

Contribution to the SDGs



Impact index calculated on the basis of Redeia's 2023 net profit (net profit = 100).

Carbon footprint (scopes 2 and 3)

Impact index: **-40.62** | Robustness: **High**

Impact



Contribution to the SDGs



Indicators

- 591,970 tCO₂e** of scope 2 emissions.
- 719,510 tCO₂e** of scope 3 emissions.
- 3,672 tCO₂e** of scope 2 emissions avoided by purchasing electricity with a guarantee of origin (GoO) (2,350 tCO₂e) and by reducing electricity consumption (1,322 tCO₂e).
- 940 tCO₂e** of scope 3 emissions avoided by the reduction of commuting with the increase in remote work.
- 500 tCO₂e** of scope 3 emissions offset to compensate for the launch of the Amazonas Nexus satellite.

Targets

- 2025 30%** reduction in scope 1 and 2 emissions.
- 2030 55%** reduction in scope 1 and 2 emissions compared to 2019.
- 2030 28%** reduction in scope 3 emissions compared to 2019.
- 2050 90%** reduction in scope 1 and 2 emissions compared to 2019 (net zero emissions).
- 2050 90%** reduction in scope 3 emissions compared to 2019 (net zero emissions).

What is measured?

Scope 2 refers to indirect GHG emissions mainly associated with the organisation's transport network losses and electricity consumption, while scope 3 emissions mainly come from the purchase of goods and services, capital goods and investments.

Management approach

Redeia measures its scope 2 and 3 emissions in line with the GHG Protocol and has a specific neutrality framework. Its Climate Change Commitment is aligned with the Paris Agreement, with science-based targets (SBTi).

Strategic lines

The Company has a Climate Change Action Plan focused on carbon neutrality of its direct and indirect operations based on SBTi targets.

Calculation methodology

Analogous to the previous calculation, an approach based on the social cost of carbon has been used. The proxy has been estimated by the IFVI in partnership with the VBA. All results have been adjusted based on their respective exchange rate.

Value chain stage

Supply chain	●
Own operations	●
Environment and society	●

Capital

Industrial	○
Financial	○
Human	○
Natural	●
Technological-intellectual	○
Social-relational	●

Stakeholders

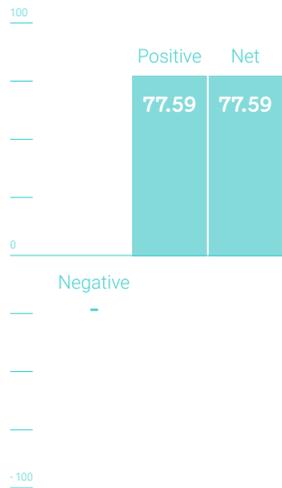
Employees	○
Suppliers	●
Financial-economic ecosystem	○
Customers	○
Regulatory bodies and the public administration	○
Business ecosystem	●
Social ecosystem	●
Environmental ecosystem	●

Impact index calculated on the basis of Redeia's 2023 net profit (net profit = 100).

Avoided and offset emissions

Impact index: **77.59** | Robustness: **Medium**

Impact



Indicators

50.45 MtCO₂e of emissions avoided by the integration of renewables (Spain, Chile, and Peru).

5,177 tCO₂e captured by the Redeia Forest.

Targets

2024 100% renewable electricity contracted.

2025 >60% renewable energy in electricity generation.

2030 100% of available renewable energy safely integrated into the electricity system: 74% of renewable energy in electricity generation.

What is measured?

The integration of renewables both upstream in the value chain and in the Company's own operations in the different geographies.

Redeia's tree-planting initiatives enable the natural absorption of polluting emissions.

Management approach

Regarding renewable energies, Redeia has enhanced its system operation tools to meet stringent monitoring and control requirements and has developed several predictive models for renewable generation. The Company is also carrying out projects and initiatives for their better integration, such as Quijote, Voltairee, Greco and SRAP, the Automatic Power Reduction Service introduced by the system operator

in 2022. In addition, the work carried out by Red Eléctrica's Renewable Energy Control Center (CECRE) continues to be essential by enabling the operation of an electricity system with such a high penetration of renewable energies under safe conditions.

It should be noted that, in line with the above, Redeia aims to empower society to actively participate in the energy transition process.

In terms of emissions absorption, the Redeia Forest has contributed to the recovery of 1,041 hectares of land.

Strategic lines

The execution of the 2021-2026 Transmission Grid Planning, which is binding for the Company, will facilitate the attainment of a national energy generation mix exceeding 67% renewable sources by 2026. This goal is aligned with the 2021-2025 Strategic Plan and the 2023-2025 Sustainability Plan.

Furthermore, the Company persists in its efforts to offset emissions through its Redeia Forest project and other similar initiatives.

Calculation methodology

On one hand, analogous to previous calculations, an approach based on the social cost of carbon has been used. As before, the proxy has been sourced from the report published by the IFVI in collaboration with the VBA. All results have been adjusted accounting for their respective exchange rates. On the other hand, for an accurate estimation of this specific externality, it was necessary to consider that the Company plays an essential role in the electricity market in the countries where it is operating. As a result, it bears a proportional share of this impact due to its enabling role in the value chain. This consideration is reflected in the attribution factor employed in the main calculations.

Value chain stage

Supply chain	<input checked="" type="radio"/>
Own operations	<input checked="" type="radio"/>
Environment and society	<input type="radio"/>

Capital

Industrial	<input type="radio"/>
Financial	<input type="radio"/>
Human	<input type="radio"/>
Natural	<input checked="" type="radio"/>
Technological-intellectual	<input type="radio"/>
Social-relational	<input checked="" type="radio"/>

Stakeholders

Employees	<input type="radio"/>
Suppliers	<input type="radio"/>
Financial-economic ecosystem	<input type="radio"/>
Customers	<input type="radio"/>
Regulatory bodies and the public administration	<input checked="" type="radio"/>
Business ecosystem	<input type="radio"/>
Social ecosystem	<input checked="" type="radio"/>
Environmental ecosystem	<input checked="" type="radio"/>

Contribution to the SDGs

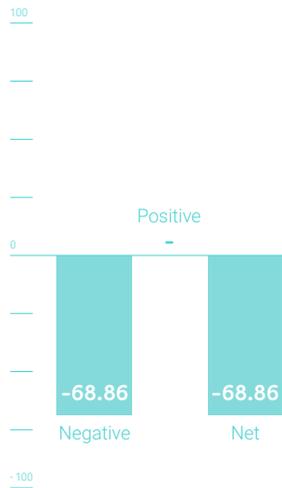


Impact index calculated on the basis of Redeia's 2023 net profit (net profit = 100).

GHG emissions from the electricity sector

Impact index: **-68.86** | Robustness: **Medium**

Impact



Contribution to the SDGs



Indicators

67.9 MtCO₂e of GHG emissions from the electricity sector (Spain, Chile and Peru).

Targets

Support **climate neutrality** by ensuring the integration of renewable sources in the national electricity mix.

What is measured?

GHG emissions from the electricity sector entail significant environmental and societal cost for society and the environment, due to the increase in polluting gases that cause climate change in the atmosphere. As the transmission agent and operator of the Spanish electric system, the Company is the backbone of the electricity system and, therefore, the enabler of the value chain in this sector.

Management approach

The core mission of Redeia is to ensure the safety and quality of the electricity supply, maximising the integration of renewable energies, with the aim of contributing to the provision of a secure, efficient and sustainable supply to citizens.

Strategic lines

One of the pillars of Redeia's strategy is the decarbonisation of the economy, being a proactive agent in the energy transition towards an emission-free model, committing to the electrification of the economy and the efficient integration of renewable energies, through a robust and better interconnected grid and the development and operation of energy storage systems.

Calculation methodology

Analogous to the previous calculations, a social cost of carbon approach has been used. The proxy has been sourced from the Greenhouse Gas (GHG) Emissions Topic Methodology published by the IFVI and VBA. All results have been adjusted depending on the current exchange rates. On the other hand, given its integral role in the electricity sector, the Company bears a share of this impact due to its enabling function within the value chain.

Value chain stage

Supply chain	<input checked="" type="radio"/>
Own operations	<input type="radio"/>
Environment and society	<input type="radio"/>

Capital

Industrial	<input type="radio"/>
Financial	<input type="radio"/>
Human	<input type="radio"/>
Natural	<input checked="" type="radio"/>
Technological-intellectual	<input type="radio"/>
Social-relational	<input checked="" type="radio"/>

Stakeholders

Employees	<input type="radio"/>
Suppliers	<input type="radio"/>
Financial-economic ecosystem	<input type="radio"/>
Customers	<input type="radio"/>
Regulatory bodies and the public administration	<input type="radio"/>
Business ecosystem	<input type="radio"/>
Social ecosystem	<input checked="" type="radio"/>
Environmental ecosystem	<input checked="" type="radio"/>

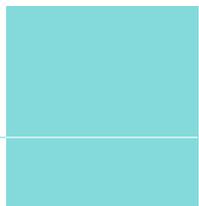
Impact index calculated on the basis of Redeia's 2023 net profit (net profit = 100).

Responsible value chain



Pull effect
Living wage
Health and safety
Environmental impacts

301



Health and safety
Environmental and supply chain impacts
Living wage

Responsible value chain

Companies have a responsibility that extends across their entire value chain, with the effects of their activities impacting every link. Recognising this, Redeia, through its 2030 Sustainability Commitment, has broadened its focus to encompass its entire value chain.

The direct impacts of Redeia's operations primarily influence natural resources and society. The most notable impact within the value chain is the direct impact and pull effect

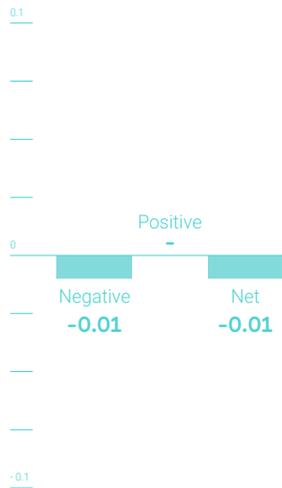
on economic activity, employment and tax contribution, which is equivalent to 2.7 times Redeia's net profit. However, the nature of the Company's activities also leads to adverse effects on people and natural resources. For example, the raw materials used in Redeia's equipment account for the most significant negative impact, equivalent to -1.7 times the Company's net profit.



Own water footprint

Impact index: **-0.01** | Robustness: **High**

Impact



Indicators

34,851 m³ of water consumption in the facilities of Spain, Chile, and Peru.

Targets

2025 Reduction of water consumption in all Red Eléctrica and Redinter work centres to **6.5 m³/employee/year**.

2030 Reduction of water consumption in all workplaces to **6.5 m³/employee/year**.

What is measured?

Although Redeia's water consumption is not significant, as it is only used for domestic activities (the Company has no production plants and does not use water in its operating processes), the scarcity of this resource is significantly impacting both the environment and society. These actions reverberate through ecosystems, affecting natural habitats, water quality, and the wellbeing of communities.

Management approach

Since the inception of the 2030 Circular Economy Roadmap in 2020, Redeia has implemented, by the end of 2023, 27.5% of the planned actions related to the reduction of water consumption to 6.5 m³ employee/year.

Within all entities of the Company, specific plans are being implemented to reduce water consumption. These include, among others, measures such as the installation of digital meters in all facilities, leak detection systems, adoption of low-consumption flush systems, placement of drip irrigation systems or installation of smart meters in leased work centres.

Strategic lines

Redeia's Circular Economy Roadmap establishes water as one of its key components. Aware that it is an increasingly scarce natural resource, the Company is committed to reducing its consumption as much as possible. Ultimately, the organisation strives to discover alternative solutions that enhance efficiency and optimise the utilisation of water.

Calculation methodology

In order to measure the impact resulting from Redeia's direct water consumption, the relationship between the local level of water scarcity and the corresponding social cost of water was analysed. According to the study published by Trucost, the social value of water resources is not constant, but changes according to the regional degree of water stress. Therefore, the AQUASTAT database provided by FAO was examined with the goal of building a country-specific proxy. Finally, the obtained value factor has been adjusted to account for the current inflation levels and exchange rates.

Value chain stage

Supply chain	<input type="radio"/>
Own operations	<input checked="" type="radio"/>
Environment and society	<input type="radio"/>

Capital

Industrial	<input type="radio"/>
Financial	<input type="radio"/>
Human	<input type="radio"/>
Natural	<input checked="" type="radio"/>
Technological-intellectual	<input type="radio"/>
Social-relational	<input checked="" type="radio"/>

Stakeholders

Employees	<input type="radio"/>
Suppliers	<input type="radio"/>
Financial-economic ecosystem	<input type="radio"/>
Customers	<input type="radio"/>
Regulatory bodies and the public administration	<input type="radio"/>
Business ecosystem	<input type="radio"/>
Social ecosystem	<input checked="" type="radio"/>
Environmental ecosystem	<input checked="" type="radio"/>

Contribution to the SDGs



Impact index calculated on the basis of Redeia's 2023 net profit (net profit = 100).

Supply chain water footprint

Impact index: **-1.02** | Robustness: **High**

Impact



Contribution to the SDGs



Indicators

Total consumption of water resources in the supply chain in Spain, Chile, and Peru.

Targets

- 2025** At least **10 supplies** with the greatest impact on the transmission grid shall include circular criteria (life cycle analysis or LCA), climate change, security, diversity and biodiversity.
- 2030** At least **25 supplies** with a major impact on the transmission grid with circularity criteria (LCA), climate change, security, diversity and biodiversity.

What is measured?

Redeia's influence on water resources extends well beyond its direct consumption. Across its entire value chain –from sourcing raw materials to production, distribution, and waste management– water plays a pivotal role. This multifaceted involvement carries both environmental and social implications.

Management approach

Redeia works together with its procurement network to identify the environmental impacts of its equipment and materials, including water footprint requirements, all this through a life cycle analysis methodology developed in 2022, in order to promote eco-design and innovation for a more sustainable equipment.

Redeia seeks to extend the Company's commitment to responsibility to the entire value chain, from people to suppliers and customers.

Strategic lines

Redeia's Supplier Code of 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. The Supplier Code of Conduct also 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.

Calculation methodology

Expanding upon the previous analysis, the quantification of the impact arising from Redeia's supply chain water consumption involved examining the interplay between local water scarcity levels and the associated social cost of water. To construct a country-specific proxy, the AQUASTAT database provided by FAO was consulted, and current inflation rates as well as exchange rates were considered.

Value chain stage

Supply chain	<input checked="" type="radio"/>
Own operations	<input type="radio"/>
Environment and society	<input type="radio"/>

Capital

Industrial	<input type="radio"/>
Financial	<input type="radio"/>
Human	<input type="radio"/>
Natural	<input checked="" type="radio"/>
Technological-intellectual	<input type="radio"/>
Social-relational	<input checked="" type="radio"/>

Stakeholders

Employees	<input type="radio"/>
Suppliers	<input checked="" type="radio"/>
Financial-economic ecosystem	<input type="radio"/>
Customers	<input type="radio"/>
Regulatory bodies and the public administration	<input type="radio"/>
Business ecosystem	<input checked="" type="radio"/>
Social ecosystem	<input checked="" type="radio"/>
Environmental ecosystem	<input checked="" type="radio"/>

Impact index calculated on the basis of Redeia's 2023 net profit (net profit = 100).

Birdlife

Impact index: **-0.81** | Robustness: **Medium**

Impact



Indicators

Number of birds collided with Redeia facilities in Spain, Chile, and Peru.
Kilometres of extension of the electric lines in Spain, Chile, and Peru.

Targets

- 2025** 100% of the critical spans marked with bird-saving devices by Red Eléctrica.
- 2025** Identification of **risks and opportunities** for natural capital and biodiversity in Red Eléctrica.

What is measured?

While power lines pose risks to bird populations, causing habitat fragmentation and reduced biodiversity due to collisions, electrocutions, and fatal incidents, the proactive reintroduction of birds in affected areas through well-structured agreements serves as a valuable mitigation strategy, countering the adverse effects of Redeia's operations and infrastructures.

Management approach

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 Company's Commitment to biodiversity. Avoiding areas rich in biodiversity and forest areas is one of the priority criteria and the first to be considered when defining the location of Redeia's facilities both in the grid planning and the definition of each project.

To this end, environmental impact studies are carried out, the methodology of which 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, determining numerous conditioning factors related to areas with the presence of focal bird species. Within the mitigation hierarchy, the following aspects of application are minimisation, restoration, and compensation of impacts.

Thanks to the updated 'Birds and power lines: mapping of bird flight paths' project, updated in 2021, Redeia identified several focal species prone to collision. Using various criteria, 52 taxa and 60 species were selected, leading to the creation of sensitivity maps. These maps pinpoint areas where these species may be located and are crucial for planning new power line routes. Additionally, risk maps were developed to highlight sensitive areas where external factors may increase the probability of accidents.

Strategic lines

Redeia has defined the 2016-2025 multi-year line marking plan to prioritise 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%.

Calculation methodology

The methodology employed to assess the impact of bird collisions with Red Eléctrica's power lines combines the valuation of individual birds using the MORA database (Model Offer of Environmental Responsibility of MITERD) and an analysis of potential collisions per kilometre based on the report published by the Spanish Ministry for Ecological Transition and Demographic Challenge. Thereby, it was possible to construct an indicator of the expected number of collisions per km, which was then applied to the case studies of Chile and Peru. The economic value of a bird has been adjusted according to the current inflation level and exchanges rates.

Value chain stage

Supply chain	<input type="radio"/>
Own operations	<input checked="" type="radio"/>
Environment and society	<input type="radio"/>

Capital

Industrial	<input type="radio"/>
Financial	<input type="radio"/>
Human	<input type="radio"/>
Natural	<input checked="" type="radio"/>
Technological-intellectual	<input type="radio"/>
Social-relational	<input checked="" type="radio"/>

Stakeholders

Employees	<input type="radio"/>
Suppliers	<input type="radio"/>
Financial-economic ecosystem	<input type="radio"/>
Customers	<input type="radio"/>
Regulatory bodies and the public administration	<input checked="" type="radio"/>
Business ecosystem	<input type="radio"/>
Social ecosystem	<input checked="" type="radio"/>
Environmental ecosystem	<input checked="" type="radio"/>

Contribution to the SDGs



Impact index calculated on the basis of Redeia's 2023 net profit (net profit = 100).

Land use

Impact index: **-1.81** | Robustness: **Medium**

Impact



Contribution to the SDGs



Indicators

- 38,107 ha** of land affected by lines and substations in service in Spain, Chile, and Peru.
- 1,041 ha** of forest recovered by Redeia since 2009.
- 40,724 trees** planted by Redeia.
- 945 km** of submarine cable.
- 2 ha** of marine forest.
- €23.9 M** of investment for biodiversity protection, fire prevention and landscape integration.

Targets

- Fulfil the Commitment to protect vegetation and combat deforestation for **100%** of investment projects.
- 2025 Zero** serious environmental accidents at the facilities.
- 2025 Zero** contaminated sites.
- 2030** Generate a **net positive impact** on biodiversity in the surroundings of the facilities.
- 2030 100%** decontamination of soils affected by accidental hydrocarbon spills.

What is measured?

Power lines exert detrimental effects on the environment, affecting not only soil quality but also vegetation and forest cover. These adverse consequences stem from the fragmentation of habitats and disturbances to territorial integrity caused by the infrastructures.

Management approach

Redeia is advancing its 2030 Circular Economy Roadmap, with 36.7% of the actions related to soils successfully implemented by 2023.

The Company designs sustainable treatment methods for soils and groundwater affected by dielectric oils and hydrocarbons in order 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 soil treatment methods, including bioremediation and chemical oxidation, are reducing the need to send contaminated soil to landfills. In 2023, Redeia conducted 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 is expected to end in 2024, and the efficacy of the treatment will then be assessed through the results obtained.

Strategic lines

In 2020, the organisation set up an emergency intervention service that was implemented to provide a swift and effective response to accidental spills in land-based environments. Also, simulations of oil spills were carried out and related training sessions on this topic were held during the year.

Continued on the next page

Impact index calculated on the basis of Redeia's 2023 net profit (net profit = 100).

Land use

Impact index: **-1.81** | Robustness: **Medium**

Continued

In addition, the level of environmental risk has been assessed and environmental liabilities identified in all electricity substations, resulting in the implementation of various measures to reduce, control, or eliminate the potential risks identified.

Redeia aims to prevent hydrocarbon leakage or spills and mitigate its impacts by 2030 through the Circular Economy Roadmap. The Roadmap also entails employing suitable techniques to remediate affected soils in case of accidents and ensuring zero serious accidents and contaminated sites in its facilities. The Company also has a target in place to completely reduce the use of phytosanitary products in substations.

Calculation methodology

Redeia's efforts to mitigate the impact on biodiversity per hectare of land affected by the transmission network have been thoroughly assessed. Monetisation relies on three proxies: the positive influence of timber plantations on the environment and society, the benefits of the Redeia Marine Forest for marine ecosystems, and the returns from fire prevention investments. The Swedish Life Cycle Centre, along with its EPS (Environmental Priority Strategies) indicators, serves as the primary information source, with results adjusted for inflation and exchange rates.

Value chain stage

Supply chain	<input type="radio"/>
Own operations	<input checked="" type="radio"/>
Environment and society	<input type="radio"/>

Capital

Industrial	<input type="radio"/>
Financial	<input type="radio"/>
Human	<input type="radio"/>
Natural	<input checked="" type="radio"/>
Technological-intellectual	<input type="radio"/>
Social-relational	<input type="radio"/>

Stakeholders

Employees	<input type="radio"/>
Suppliers	<input type="radio"/>
Financial-economic ecosystem	<input type="radio"/>
Customers	<input type="radio"/>
Regulatory bodies and the public administration	<input checked="" type="radio"/>
Business ecosystem	<input type="radio"/>
Social ecosystem	<input checked="" type="radio"/>
Environmental ecosystem	<input checked="" type="radio"/>

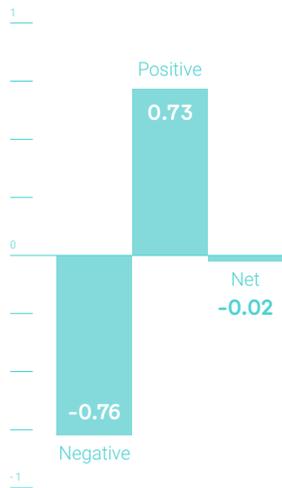


Impact index calculated on the basis of Redeia's 2023 net profit (net profit = 100).

Noise pollution

Impact index: **-0.02** | Robustness: **Medium-limited**

Impact



Indicators

134 facilities with population in their immediate vicinity.
4 facilities which, despite complying with the regulations, have a high noise level.

Targets

2024 Complete the action plan **to reduce noise pollution** in installations with high noise levels.

What is measured?

Electrical substations emit noise pollution, which, in turn, can cause disturbances due to the sounds produced by certain components. Among the 134 substations with power transformers operated by Redeia, only 4 exhibit high levels of sound. However, Redeia is committed to mitigate and minimise this issue within its infrastructure and has therefore undertaken an analysis of the potential negative impacts generated by the high noise levels of its electricity substations on human wellbeing and health.

Management approach

Redeia contributes to the economic, environmental, and social progress of its surroundings, and promotes environmental conservation, people's quality of life and social wellbeing. 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. This way, the Company involves communities in the development of activities in a mutually beneficial way.

Strategic lines

Redeia works on the implementation of the most effective measures for mitigating noise pollution.

Following the noise analysis at the substations with power transformers, a programme of direct measurements was implemented in 55 facilities close to residential areas, completing measurements at 9 substations in 2022. Despite efforts to reduce noise emissions from some transformers, 4 substations, while complying with regulations, still exceed the desired limits.

In 2022, acoustic imaging cameras were used to identify the specific sources of noise in each case to establish the corresponding action plan in 2023. This plan consisted of starting work to erect 2 acoustic shields and a silencer on the 2 machines generating noise in the La Eliana substation (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 (Castilla y León), to install shields in 2024.

Calculation methodology

Utilising the social cost of noise as a framework, this approach draws upon a proxy that quantifies social costs per individual. Derived from Moliner *et al.* (2013), this proxy is then applied to the population residing near noise-intensive facilities. The results have been adjusted to account for inflation.

Value chain stage

Supply chain	<input type="radio"/>
Own operations	<input checked="" type="radio"/>
Environment and society	<input type="radio"/>

Capital

Industrial	<input type="radio"/>
Financial	<input type="radio"/>
Human	<input checked="" type="radio"/>
Natural	<input type="radio"/>
Technological-intellectual	<input type="radio"/>
Social-relational	<input checked="" type="radio"/>

Stakeholders

Employees	<input checked="" type="radio"/>
Suppliers	<input type="radio"/>
Financial-economic ecosystem	<input type="radio"/>
Customers	<input checked="" type="radio"/>
Regulatory bodies and the public administration	<input type="radio"/>
Business ecosystem	<input type="radio"/>
Social ecosystem	<input checked="" type="radio"/>
Environmental ecosystem	<input checked="" type="radio"/>

Contribution to the SDGs



Impact index calculated on the basis of Redeia's 2023 net profit (net profit = 100).

Raw material supply

Impact index: **-172.38** | Robustness: **High**

Impact



Indicators

Total tonnes of materials used.

Targets

- 2025** At least **10 supplies** with the greatest impact on the transmission grid shall include circular criteria (LCA), climate change, security, diversity and biodiversity.
- 2025** 0% single-use plastics.
- 2025** 100% eco-friendly packaging, recycled, recyclable or reusable packaging in the supply of equipment and materials.
- 2030** At least **25 supplies** with a major impact on the transmission grid with circularity criteria (LCA), climate change, security, diversity and biodiversity.
- 2030** Creation of a network of **circular supplies**.
- 2030** Identification of the **environmental impacts** of equipment and materials from their origin (LCA of supplies).
- 2030** **Sustainable transformers** (use of vegetable esters instead of mineral oils).
- 2030** **Innovation and technological development** (eco-friendly designed equipment and materials).

What is measured?

The environmental repercussions of raw materials employed in constructing transmission network infrastructures primarily stem from emissions throughout their life cycle (including plastics, aluminium, scrap, and electronic components). Equally crucial is the management of these materials at the end of their useful life, as proper treatment significantly mitigates their impact. Consequently, this comprehensive approach has been factored into these calculations.

Management approach

Since the inception of the Circular Economy Roadmap to 2030, Redeia has reached in 2023 a fulfilment level of 52.4% of the planned actions related to the consumption of raw materials. In order to reduce the consumption of these 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. In 2023, the implementation of requirements in 4 critical supplies was achieved, and a roadmap was developed to introduce sustainability requirements in ten essential supplies in 2025. Therefore, progress has been made towards the Group's objective of having a circular supply network by 2030.

Strategic lines

Redeia has set the objective of identifying the environmental impacts of equipment and materials from their origin (LCA of supplies) by 2030. The Company already integrates sustainability criteria in its purchasing decisions, and it aims to increase them. Progress in this matter is only possible through advances in the relations with suppliers and through collaborations with other key actors while promoting innovation and technological development.

Calculation methodology

This calculation relies on the social and economic valuation of various materials, utilising proxies aligned with EPS. These proxies have been applied to a range of materials, including porcelain, silicon rubber, plastic, magnetic sheet, steel, aluminium, copper, paper, concrete, oil, zinc, SF₆, glass, electronic components, and Ni-Cd batteries. For the estimation of this impact, the Company has employed the raw materials certified in 2023 for the maintenance of the transmission network. Additionally, the results have been adjusted to account for inflation.

Value chain stage

Supply chain	●
Own operations	○
Environment and society	○

Capital

Industrial	○
Financial	○
Human	○
Natural	●
Technological-intellectual	○
Social-relational	●

Stakeholders

Employees	○
Suppliers	●
Financial-economic ecosystem	○
Customers	○
Regulatory bodies and the public administration	○
Business ecosystem	●
Social ecosystem	●
Environmental ecosystem	●

Contribution to the SDGs



Impact index calculated on the basis of Redeia's 2023 net profit (net profit = 100).

Own waste footprint

Impact index: **-0.002** | Robustness: **Medium**

Impact



Indicators

4,561 tonnes of hazardous and non-hazardous waste generated in own activities.

98.3% of waste recovered, reused or recycled.

Targets

- 2025** Implementation of the **SF₆ reuse procedure**.
- 2025** Reduction of **hazardous land waste** with the strategy of zero accidents and zero contaminated sites.
- 2025** Definition of an **action plan** for zero waste to landfill in Redinter and Hispasat.
- 2025** **0%** of waste from Red Eléctrica to landfill.
- 2030** **0%** of waste from Redeia to landfill.
- 2030** **100%** SF₆ waste reduction.
- 2030** **100%** reduction of soil waste.

What is measured?

Redeia's waste production leaves a substantial environmental and social footprint, resulting from ecosystem pollution and health deterioration. Direct economic expenses stem from waste separation and treatment. The following analysis encompasses both hazardous and non-hazardous waste, evaluating strategies like elimination, reuse, recycling, regeneration, and energy recovery.

Management approach

Redeia's approach to waste focuses on proper waste management and eliminating and/or reducing its production whenever possible. The Company always analyses and tries to restructure or redesign all its processes to eliminate and/or reduce waste from the outset.

Since 2021, Redeia has implemented an action plan to reduce and recover 100% of waste generated by all group companies by 2030. Its development during 2023 has made it possible to increase the waste generated (hazardous and non-hazardous) to 98.3% whose final destination has been recycling (this generic category includes reuse, recycling, composting, anaerobic digestion and regeneration treatments). The improvement compared to the previous year is attributed to the implementation of measures of the 'Zero waste to landfill by 2030' project.

Since it was implemented in 2020, Redeia has advanced in the implementation of the Circular Economy Roadmap to 2030, having achieved at the end of 2023, 38.9% of the planned actions related to waste.

Strategic lines

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. Redeia lands this commitment through its 2030 Sustainability Goals, with the aim of being a leading company in circular economy in the market.

Calculation methodology

In this context, the University of Cambridge's guidance led to the adoption of a dual-proxy approach. Firstly, the externalities related to waste accumulation were quantified by multiplying the unit cost per tonne of waste deposited in landfills by the Company's waste production. Secondly, to assess Redeia's mitigated impact, the unit benefit per ton of reused or recycled waste was considered. The results were adjusted for inflation.

Value chain stage

Supply chain	<input type="radio"/>
Own operations	<input checked="" type="radio"/>
Environment and society	<input type="radio"/>

Capital

Industrial	<input type="radio"/>
Financial	<input type="radio"/>
Human	<input type="radio"/>
Natural	<input checked="" type="radio"/>
Technological-intellectual	<input type="radio"/>
Social-relational	<input checked="" type="radio"/>

Stakeholders

Employees	<input type="radio"/>
Suppliers	<input type="radio"/>
Financial-economic ecosystem	<input type="radio"/>
Customers	<input type="radio"/>
Regulatory bodies and the public administration	<input type="radio"/>
Business ecosystem	<input type="radio"/>
Social ecosystem	<input checked="" type="radio"/>
Environmental ecosystem	<input checked="" type="radio"/>

Contribution to the SDGs



Impact index calculated on the basis of Redeia's 2023 net profit (net profit = 100).

Supply chain waste footprint

Impact index: **-0.75** | Robustness: **Medium**

Impact



Contribution to the SDGs



Indicators

Total tonnes of hazardous and non-hazardous waste generated in the supply chain.

Targets

Incorporation of **recycling/waste-to-energy recovery requirements** in tenders regarding waste management and the provision of service.

What is measured?

Redeia's production activities create a waste footprint throughout the value chain, resulting in substantial environmental and social costs due to ecosystem pollution and health deterioration. Additionally, the direct economic burden incurred is associated with waste separation, treatment, and the implementation of sustainable waste management practices.

Management approach

To implement sustainability principles throughout the supply chain, Redeia's Supplier Code of Conduct establishes the obligation for stakeholders to respect 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. In line with this, the Code makes explicit reference to waste minimisation.

Strategic lines

In order to become a leading company in circular economy by 2030, Redeia is 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, the Company'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.

Calculation methodology

In this framework, the cost per tonne of waste deposited in landfills was leveraged to mirror the approach used in the previous calculation. The final objective remains quantifying the externalities associated with waste accumulation throughout the supply chain, with adjustments made to account for inflation levels.

Value chain stage

Supply chain	<input checked="" type="radio"/>
Own operations	<input type="radio"/>
Environment and society	<input type="radio"/>

Capital

Industrial	<input type="radio"/>
Financial	<input type="radio"/>
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Natural	<input checked="" type="radio"/>
Technological-intellectual	<input type="radio"/>
Social-relational	<input checked="" type="radio"/>

Stakeholders

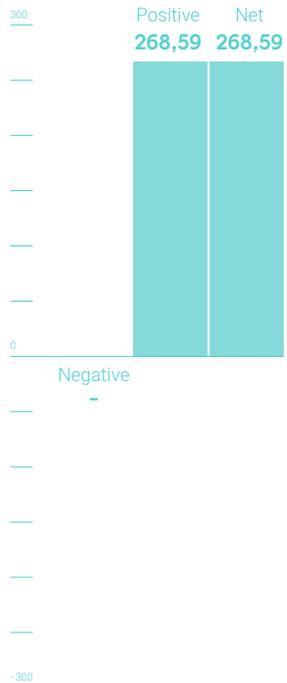
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Customers	<input type="radio"/>
Regulatory bodies and the public administration	<input type="radio"/>
Business ecosystem	<input checked="" type="radio"/>
Social ecosystem	<input checked="" type="radio"/>
Environmental ecosystem	<input checked="" type="radio"/>

Impact index calculated on the basis of Redeia's 2023 net profit (net profit = 100).

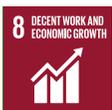
Direct impact and pull effect on economic activity, employment and tax contribution

Impact index: **268.59** | Robustness: **High**

Impact



Contribution to the SDGs



Indicators

- €613 M of income-GDP.
- €646 M of tax contribution.
- €593 M of dividends.

Targets

Act as an engine of change for Redeia suppliers and generate **wellbeing and progress** in the territories in which the Company operates.

What is measured?

Redeia's economic activity generates a pull effect on the Spanish, Chilean and Peruvian market. In practice, this impact encompasses the value added engendered by the Company within the regions where it operates (including wages, salaries, gross operating surplus, and tax contributions) as well as the employment opportunities created. Notably, direct wages are factored into the concept of living wage.

Management approach

Redeia has made in 2023 a total investment of €943 M in Spain through the various operations in Red Eléctrica, Reintel, Elewit, and Hispasat. Out of this amount, around €719 M correspond to direct investment made in the country. The investment made has generated €1.38 B of output in the business sectors concerned, which is almost double the investment made in Spain. This has contributed €608 M 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 M.

The Redeia subsidiary in Chile made a total \$5 M investment in the transmission grid, which almost entirely corresponds to direct investment in the country, generating \$8.4 M of output in the business sectors concerned. This has contributed \$4.1 M to Chile's GDP, resulting in activity equivalent to 110 jobs. Together, this would have produced public revenues amounting to \$0.9 M.

Lastly, Redeia's subsidiary in Peru made a total \$1.7 M investment in the country's transmission grid, corresponding to all the direct investment in this geography. The investment generated approximately \$2.9 M of output in the business sectors concerned, almost double the direct investment. This has contributed \$1.2 M to the country's GDP, an activity equivalent to 65 jobs. All of this together would have generated revenues amounting to \$0.2 M.

The total tax contribution generated by the Company indicates that it could amount to €646 M, which demonstrates the importance of the Company as a fiscal catalyst in the areas in which it operates.

Continued on the next page

Impact index calculated on the basis of Redeia's 2023 net profit (net profit = 100).

Direct impact and pull effect on economic activity, employment and tax contribution

Impact index: **268.59** | Robustness: **High**

Continued

Strategic lines

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. In fiscal matters, the strategy of the organisation is based on transparency, good governance and accountability, three core values for Redeia.

Regarding employment, the Company focuses on promoting and maintaining an employment which is stable and of quality. In 2023, only 3.1% of contracts were for training purposes or were managed with

employment agencies, used exclusively to ensure coverage for temporary assignments to projects, maternity/ paternity leave, and long-term temporary incapacity situations. On the other hand, voluntary turnover was 3.4% in 2023.

Calculation methodology

Redeia's impact on the GDP of Spain, Chile, and Peru has been assessed using an input-output model. The findings show the substantial contribution of €613 M made by the Company within the regions where it operates. Additionally, in order to offer a comprehensive perspective, the analysis incorporated in the final results the dividends and the total tax revenue generated by Redeia.

Value chain stage

Supply chain	<input checked="" type="radio"/>
Own operations	<input checked="" type="radio"/>
Environment and society	<input type="radio"/>

Capital

Industrial	<input type="radio"/>
Financial	<input checked="" type="radio"/>
Human	<input type="radio"/>
Natural	<input type="radio"/>
Technological-intellectual	<input type="radio"/>
Social-relational	<input checked="" type="radio"/>

Stakeholders

Employees	<input checked="" type="radio"/>
Suppliers	<input type="radio"/>
Financial-economic ecosystem	<input checked="" type="radio"/>
Customers	<input type="radio"/>
Regulatory bodies and the public administration	<input checked="" type="radio"/>
Business ecosystem	<input type="radio"/>
Social ecosystem	<input checked="" type="radio"/>
Environmental ecosystem	<input type="radio"/>

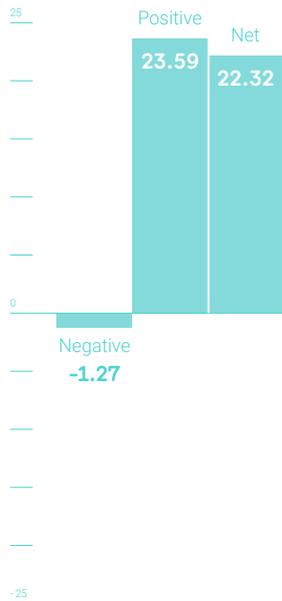


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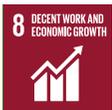
Living wage

Impact index: **22.32** | Robustness: **High**

Impact



Contribution to the SDGs



Indicators

2,477 employees in Spain, Chile, and Peru.

Average wage in Spain, Chile, and Peru.

Targets

Achieve the **retention, motivation, and commitment** of employees.

Increase **pay transparency** by implementing training sessions on remuneration matters conducted by the organisation's leaders.

What is measured?

A living wage is defined as the salary that is high enough to maintain a normal standard of living and is considered as an indispensable condition to ensure that workers, their families, and the communities live with dignity. Therefore, by compensating employees above or below the living wage threshold, the Company directly enhances or decreases their quality of life and influences the economic vitality of a region.

Management approach

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; and differentiated recognition of outstanding contributions. All this, considering the legislation applicable in each territory and ensuring equality and non-discrimination.

Strategic lines

Redeia applies a total compensation Model that includes both tangible or economic elements (such as fixed and variable remuneration, social benefits, or recognition programs), as well as intangible ones (non-salary services, personal balance, health, performance, recognition, etc.).

Calculation methodology

Redeia's thorough analysis of professional compensation reveals that all salaries provided by the Company exceed the established living wage threshold. While the positive impact results from substantial financial resources allocated to remunerate the entire workforce, the negative impact includes the welfare losses resulting from this inefficient redistribution of resources. Additionally, Redeia employs the concept of marginal utility adjustment to accurately assess the welfare impact of those wages, which surpass the satiation level. This methodology was pioneered by the Harvard Business School.

Value chain stage

Supply chain	<input type="radio"/>
Own operations	<input checked="" type="radio"/>
Environment and society	<input type="radio"/>
Capital	
Industrial	<input type="radio"/>
Financial	<input checked="" type="radio"/>
Human	<input checked="" type="radio"/>
Natural	<input type="radio"/>
Technological-intellectual	<input type="radio"/>
Social-relational	<input type="radio"/>

Stakeholders

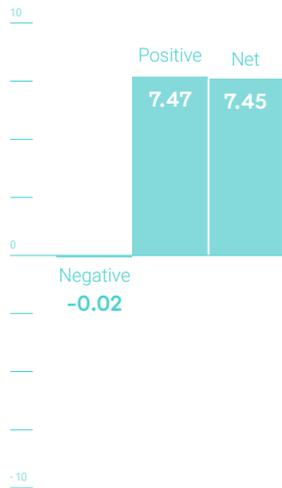
Employees	<input checked="" type="radio"/>
Suppliers	<input type="radio"/>
Financial-economic ecosystem	<input type="radio"/>
Customers	<input type="radio"/>
Regulatory bodies and the public administration	<input type="radio"/>
Business ecosystem	<input type="radio"/>
Social ecosystem	<input checked="" type="radio"/>
Environmental ecosystem	<input type="radio"/>

Impact index calculated on the basis of Redeia's 2023 net profit (net profit = 100).

Health, safety and wellbeing of Redeia professionals

Impact index: **7.45** | Robustness: **Medium-high**

Impact



Contribution to the SDGs



Indicators

5 accidents with sick leave.
Investment in trainings in the area of health and safety.

Targets

Zero accidents at work.
 Incorporation of **healthy lifestyle habits** in order to improve the health and quality of life of employees.
 To pursue the **health and safety of individuals** to achieve healthy work environments.

What is measured?

Within this framework are quantified the effects of Redeia's security measures and internal policies on the health of its workers. Vigilant management and trainings during working hours contribute to mitigate potential occupational risks. This proactive approach positively influences accident reduction and enhances the overall wellbeing of Redeia employees. Furthermore, one needs to consider the positive externalities generated by the salary on the workforce wellbeing.

Management approach

Regarding occupational safety, 13,982 safety inspections were carried out in 2023 on work and facilities to anticipate and detect possible risk situations. In addition, 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 of new technologies and digital transformation. As a result, there has been a reduction in the overall accident rate indicators, which includes own personnel (severity index: 0.02).

The continuity of health and wellbeing activities and initiatives has been maintained in 2023, with measures such as medical check-ups, healthy nutrition consultations, physical condition assessment or physiotherapy consultation service, among others.

To ensure a balance between personal and professional life, Redeia has achieved during the year an 80% fulfilment rate of the objectives related, 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 balance management model are applicable to all companies, divided into leadership and management styles, quality of employment, flexibility of time and location, family support, personal and professional development, and equal opportunities.

Also, a breastfeeding room was set up at Redeia's headquarters in the second half of 2023.

Continued on the next page

Impact index calculated on the basis of Redeia's 2023 net profit (net profit = 100).

Health, safety and wellbeing of Redeia professionals

Impact index: **7.45** | Robustness: **Medium-high**

Continued

Strategic lines

People are one of the strategic pillars of Redeia, whereby the Company promotes cultural transformation and sustainable management, seeking to convert of the organisation into a referent in the market in terms of healthy workplace.

In 2022, the Healthy Company Model evolved to become the Healthy Organisation Management System, aiming to prevent injuries and health deterioration as well as extending to personal and family lifestyles. This management system covers 100% of Redeia's workforce, and has four main pillars: Lifestyle, Commitment to the community, Culture focused on the organisation's wellbeing, and Health and safety of the organisation's people.

Apart from the Digital Disconnection Protocol, implemented in 2021, Redeia has integrated a voluntary hybrid work Model in 2023.

Calculation methodology

In the first place, two multipliers are employed to assess the value of work accidents on the wellbeing of workers and the society in general. These multipliers account for both direct and intangible costs associated with each occupational accident, as outlined by the European Agency for Safety and Health at Work. In the second place, the social benefits arising from wages exceeding the living wage threshold are considered. This methodology for this analysis originates from the VBA and argues that people gain life years the higher their compensation is. Additionally, the Social Return on Investment (SROI) related to capital allocated for safety and health training is assessed, based on research by The Institute for Work and Health in 2022. The results are adjusted to account for inflation and exchange rates.

Value chain stage

Supply chain	<input type="radio"/>
Own operations	<input checked="" type="radio"/>
Environment and society	<input type="radio"/>

Capital

Industrial	<input type="radio"/>
Financial	<input checked="" type="radio"/>
Human	<input checked="" type="radio"/>
Natural	<input type="radio"/>
Technological-intellectual	<input type="radio"/>
Social-relational	<input type="radio"/>

Stakeholders

Employees	<input checked="" type="radio"/>
Suppliers	<input type="radio"/>
Financial-economic ecosystem	<input type="radio"/>
Customers	<input type="radio"/>
Regulatory bodies and the public administration	<input type="radio"/>
Business ecosystem	<input type="radio"/>
Social ecosystem	<input checked="" type="radio"/>
Environmental ecosystem	<input type="radio"/>



Impact index calculated on the basis of Redeia's 2023 net profit (net profit = 100).

Health and safety of contractors

Impact index: **-0.08** | Robustness: **High**

Impact



Indicators

46 accidents of contractors with sick leave.
Investment for external awareness.

Targets

Zero accidents at work.

What is measured?

In the context of safety and health management, contractors play a crucial role in preventing occupational risks. It is equally vital for Redeia to extend this focus beyond its own operations and assess the accident rates of other companies within its value chain. By doing so, Redeia can proactively address potential risks and enhance safety across the entire network of interconnected organisations.

Management approach

All suppliers working on the premises and work centres of Redeia are qualified and certified in occupational safety. In case workers carry out risk activities, these are led by the supplier's work managers, who have been previously authorised by Redeia's Prevention Service. In line with the permanent collaboration with suppliers, there are currently 3,114 work managers that have been authorised in higher-risk activities, therefore being a group that plays a fundamental role in the compliance of safety measures during the execution of the work. The authorisation involves a review and verification of the training accomplished, as well as the skills and experience that have been acquired.

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).

The Company also reflects its commitment to the safety and health of contractors in its Supplier Code of Conduct.

Strategic lines

Redeia promotes cultural transformation and sustainable management to turn the organisation into a reference in the market in terms of healthy workplace.

The Company has developed the new 2024-2025 Occupational Health and Safety Plan, in which a listening process was deployed for the first time. In total, more than 750 Redeia suppliers participated in this process. As a result of the Plan implementation, there has been a reduction in the overall accident rate indicators, including contractors (severity index: 0.50).

Calculation methodology

As before, to carry out this calculation a series of proxies were employed. The final goal was to associate a monetary value to the accidents affecting the workforce of Redeia's value chain. In practice, the value factors provided information on the direct and intangible costs per accident at work. Finally, the SROI for capital allocated in safety and health training was used. The most important difference between the two impacts is that in this framework the supply chain is the centre of analysis. The results have been adjusted according to the level of inflation.

Value chain stage

Supply chain	<input checked="" type="radio"/>
Own operations	<input type="radio"/>
Environment and society	<input type="radio"/>

Capital

Industrial	<input type="radio"/>
Financial	<input checked="" type="radio"/>
Human	<input checked="" type="radio"/>
Natural	<input type="radio"/>
Technological-intellectual	<input type="radio"/>
Social-relational	<input type="radio"/>

Stakeholders

Employees	<input type="radio"/>
Suppliers	<input checked="" type="radio"/>
Financial-economic ecosystem	<input type="radio"/>
Customers	<input type="radio"/>
Regulatory bodies and the public administration	<input type="radio"/>
Business ecosystem	<input checked="" type="radio"/>
Social ecosystem	<input checked="" type="radio"/>
Environmental ecosystem	<input type="radio"/>

Contribution to the SDGs

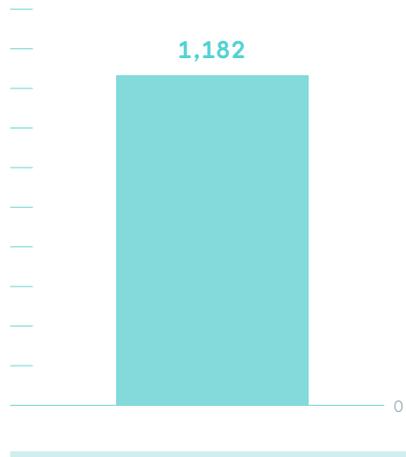


Impact index calculated on the basis of Redeia's 2023 net profit (net profit = 100).

Contribution to social, economic and environmental development



Electricity supply
Connectivity
Social Development



Contribution to social, economic and environmental development

The third objective outlined in the 2030 Sustainability Commitment focuses on contributing to the economic, social and environmental progress of the community in a safe and efficient manner, while also promoting environmental conservation, enhancing people's quality of life and fostering social welfare.

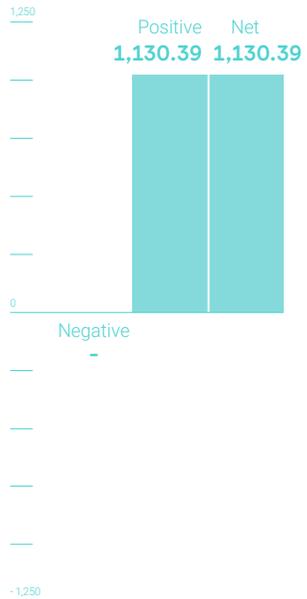
In this case, all measured impacts are positive. Particularly significant is the access, availability and security of electricity supply and connectivity, which has a positive effect equivalent to 11.3 times Redeia's net profit. Additionally, there is a positive impact associated with social development.



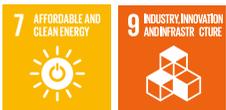
Access, availability and security of electricity supply, and connectivity

Impact index: **1,130.39** | Robustness: **Limited**

Impact



Contribution to the SDGs



Indicators

€2,064 M of revenues from Redeia.
 Numbers of households with electricity supply in Spain, Chile and Peru.

Targets

- Ensure **continuity and security** of the electrical supply and provide a quality, efficient and sustainable service.
 Maximum of **1,2*10⁻⁵** in the demand of electrical energy in power bars as energy not supplied (ENS), according to the Royal Decree 1995/2000.
- Maximum of **15 minutes** for the average interruption time (AIT), according to the Royal Decree 1995/2000.
- 2021-2025** **€5,000 M** of total investment, of which ~ 75% will be allocated in the transmission grid, cross-border connections, energy storage and system operation.
- 2025** Encourage the development of the fibre optic business of at least **three local carriers**.
- 2025** **100 Mbps** connectivity deployed throughout Spain.
- 2030** **100%** connection rate for people in the areas surrounding Redeia's facilities.

What is measured?

Redeia, a key player in the electricity systems of Spain, Chile, and Peru, facilitates access to electricity for end users —be it households or businesses—. This essential service is vital for maintaining basic wellbeing, health, and connectivity. Moreover, the ripple effects of promoting connectivity and digitalisation have far-reaching social, economic, and environmental impacts.

Management approach

During the year, investments have been made in the transmission grid to address supply security and the resolution of technical restrictions, interconnections between electricity systems, and the accesses for renewable energy transfer.

In 2023, Redeia has commissioned 157 km. of new line circuits and 143 new substations.

The Company also extends broadband connectivity through Reintel's optical fibre so that the communities living in the vicinity of Redeia facilities can access information and communication technologies.

Strategic lines

Redeia's 2021-2025 Strategic Plan includes measures to guarantee, expand and transform the electricity supply. The strategic pillars of the Plan are oriented to developing the necessary infrastructures for energy transition; designing, building, and operating storage infrastructures to maximise the integration of renewables; and operating a more complex, dynamic and digital electricity system.

After the approval of the 2021-2026 Transmission Grid Planning by the Congress of Deputies in 2022, Redeia is committed to develop new transmission grid infrastructures to ensure electricity supply, developing

Continued on the next page

Impact index calculated on the basis of Redeia's 2023 net profit (net profit = 100).

Access, availability and security of electricity supply, and connectivity

Impact index: **1,130.39** | Robustness: **Limited**

Continued

interconnections between electricity systems, and maximising the use of the existing grid.

Along with neighbouring TSOs, Red Eléctrica is working to promote the interconnection between Aquitaine (France) and the Basque Country (Spain) (Bay of Biscay project); Aragon (Spain) and Pyrénées-Atlantiques (France); Navarra (Spain) and Landes (France); and Portugal-Spain at different placements.

On the other hand, to continue moving towards greater connectivity, Redeia seeks to develop the satellite business as a lever to reduce the digital divide, strengthen the current fibre optic business and develop new opportunities around the deployment of 5G.

Calculation methodology

The impact calculation draws upon various methodologies to ensure a holistic perspective of Redeia's impact on society. In the first place, to assess the supply side of the considered externality, a GDP multiplier derived from input-output tables was employed (the Ghosh matrix). Thereby, it could be quantified the impact of a given increase in primary inputs on the total supply of output. In the second place, the households' willingness to pay for electricity was compared to their total expenditures (as reported by Statistical Institutes), factoring in Redeia's contribution to the overall gross value added in the electricity sector. As for connectivity, a proxy was incorporated to account for the social value generated by each euro of revenue in the telecommunication sector.

Value chain stage

Supply chain	<input type="radio"/>
Own operations	<input type="radio"/>
Environment and society	<input checked="" type="radio"/>
Capital	
Industrial	<input checked="" type="radio"/>
Financial	<input checked="" type="radio"/>
Human	<input type="radio"/>
Natural	<input type="radio"/>
Technological-intellectual	<input type="radio"/>
Social-relational	<input checked="" type="radio"/>

Stakeholders

Employees	<input type="radio"/>
Suppliers	<input type="radio"/>
Financial-economic ecosystem	<input checked="" type="radio"/>
Customers	<input checked="" type="radio"/>
Regulatory bodies and the public administration	<input type="radio"/>
Business ecosystem	<input type="radio"/>
Social ecosystem	<input checked="" type="radio"/>
Environmental ecosystem	<input type="radio"/>

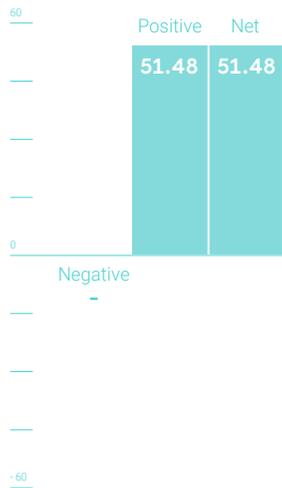


Impact index calculated on the basis of Redeia's 2023 net profit (net profit = 100).

Social development

Impact index: **51.48** | Robustness: **High**

Impact



Indicators

€10.6 M of investment for the development or promotion of social initiatives.

Targets

The social innovation approach focuses on **reducing digital, territorial, generational and gender inequalities** to improve the quality of life of citizens in their communities.

To implement Redeia's **Comprehensive Impact Strategy**.

What is measured?

Redeia's commitment to local communities extends beyond mere infrastructure. By actively engaging in projects that enhance education, healthcare, and environmental sustainability, Redeia not only uplifts lives but also strengthens the society. These initiatives resonate far beyond the Company's immediate operations, leaving a legacy of positive impact for generations to come.

Management approach

Redeia is committed to promoting social action as an essential element of its 2030 Sustainability Commitment, through collaborations with various public and private institutions and entities to respond to the demands of stakeholders.

In total, the Company has carried out 838 social initiatives in 2023, with 372 of them focused on the socio-economic development of the local territory. These initiatives entailed an investment of €10,631,911 in the communities where the group is present.

Strategic lines

The Company has launched this year its Comprehensive Impact Strategy, a new global action framework that aims to shape its interactions with the environment and strives to align its infrastructure deployment more closely with its goals in environmental, social, and governance areas. The 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.

Furthermore, the Group defined in 2021 its social innovation approach to maximise Redeia's commitment to the territories where it operates and to promote shared value creation. Focused on reducing digital, territorial, generational, and gender inequalities with the aim of improving the quality of life of citizens in their communities, 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 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.

Calculation methodology

Within this framework, the social value of Redeia's initiatives aimed at enhancing health, education, and work opportunities for local communities has been assessed using various SROI methodologies. In practical terms, after categorising social development investments into nine distinct groups (including climate change, local development, heritage and culture, biodiversity, education, sectoral bodies, institutions, volunteer efforts, and reputation), their societal impact has been assessed through a set of proxies that quantify the social return for every euro invested.

Value chain stage

Supply chain	<input type="radio"/>
Own operations	<input type="radio"/>
Environment and society	<input checked="" type="radio"/>

Capital

Industrial	<input type="radio"/>
Financial	<input type="radio"/>
Human	<input checked="" type="radio"/>
Natural	<input type="radio"/>
Technological-intellectual	<input type="radio"/>
Social-relational	<input checked="" type="radio"/>

Stakeholders

Employees	<input type="radio"/>
Suppliers	<input type="radio"/>
Financial-economic ecosystem	<input type="radio"/>
Customers	<input type="radio"/>
Regulatory bodies and the public administration	<input checked="" type="radio"/>
Business ecosystem	<input type="radio"/>
Social ecosystem	<input checked="" type="radio"/>
Environmental ecosystem	<input type="radio"/>

Contribution to the SDGs



Impact index calculated on the basis of Redeia's 2023 net profit (net profit = 100).

Anticipating change and taking action



Innovation and Intellectual capital
Training

48

-5

Diversity

Anticipating change and taking action

In preparation for future opportunities and challenges, Redeia showcases its commitment to innovation and the development of technological-intellectual capital, which positively impacted 0.5 times

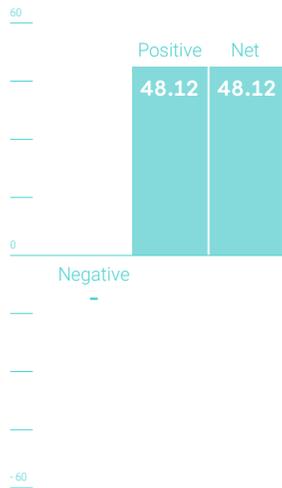
its net profit for the 2023 financial year. Additionally, the Company's operations also generate positive impacts on training of its professionals.



Innovation and intellectual capital

Impact index: **48,12** | Robustness: **Medium**

Impact



Indicators

€8.59 M of investment in R&D&I.
 €119.2 M in Information and Communication Technologies (ICT).

Targets

- 2025** Adoption of **24 innovative technological solutions** in Redeia that address the Group's key challenges, contributing tangible or intangible value.
- 2030** Be a **reference company** for technological innovation.
- 2030** Adoption of **64 innovative technological solutions** in Redeia that address the Group's key challenges, contributing tangible or intangible value.

What is measured?

Redeia's commitment to innovation and knowledge dissemination not only benefits the Company internally, in terms of profitability and productivity, but also has far-reaching effects on society, the environment, and the economy. R&D plays a crucial role in societal progress by fostering breakthroughs, driving economic growth, and addressing pressing challenges. It fuels technological advancements, improves quality of life, and enhances our collective wellbeing. Therefore, this externality incorporates the social benefits resulting from Redeia's investments in research, development, and innovation (R&D&I).

Management approach

Elewit, Redeia's technology platform, monitors innovation projects with over 100 initiatives received, 78 ongoing projects, and 12 innovative technological solutions adopted in 2023. These projects resulted in an innovation expenditure of €6.51 M. Additionally, investment processes in startups have been launched for €2.08 M, making a total commitment to innovation and technological development of €8.59 M.

The Company deployed the Venture Client program, Corporate Venture Capital (CVC), the technology labs or the Global Innovation Hub (GIH).

Strategic lines

'Innovation and technology' is one of the main seven lines of action of the 2021-2025 Strategic Plan. Through this strategic pillar, Redeia aims to promote a leading position in innovation in the energy and telecommunications sectors. With Elewit as the driving force, 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.

In 2023, Elewit, has 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 the Strategic Plan. This year, Elewit has also 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.

Contribution to the SDGs



Continued on the next page

Impact index calculated on the basis of Redeia's 2023 net profit (net profit = 100).

Innovation and intellectual capital

Impact index: **48,12** | Robustness: **Medium**

Continued

Calculation methodology

In this analysis, Redeia's R&D investments have been categorised based on specific project clusters. Each group (energy efficiency, renewable energy, injury and accident prevention, storage technologies, cross-cutting technologies, monitoring technologies, cybersecurity, emergency prevention, biodiversity protection, security,

improving employee wellbeing, knowledge generation, information and communication technology, automation) has been assigned a distinct proxy to estimate the social return on investment (SROI) generated by Redeia. The results have been adjusted according to the level of inflation and exchange rates.

Value chain stage

Supply chain	<input type="radio"/>
Own operations	<input checked="" type="radio"/>
Environment and society	<input checked="" type="radio"/>

Capital

Industrial	<input checked="" type="radio"/>
Financial	<input type="radio"/>
Human	<input type="radio"/>
Natural	<input type="radio"/>
Technological-intellectual	<input checked="" type="radio"/>
Social-relational	<input type="radio"/>

Stakeholders

Employees	<input type="radio"/>
Suppliers	<input type="radio"/>
Financial-economic ecosystem	<input checked="" type="radio"/>
Customers	<input checked="" type="radio"/>
Regulatory bodies and the public administration	<input type="radio"/>
Business ecosystem	<input type="radio"/>
Social ecosystem	<input checked="" type="radio"/>
Environmental ecosystem	<input type="radio"/>



Impact index calculated on the basis of Redeia's 2023 net profit (net profit = 100).

Diversity

Impact index: **-4.72** | Robustness: **Medium**

Impact



Indicators

- 28.9%** of women in the workforce.
- 36.2%** of women in executive positions.
- Compliance with the requirements of the General Law on the Rights of Persons with Disabilities.

Targets

- 2025** **50%** of women on Redeia's Board of Directors and **38%** of women in the Group's Senior Management.
- 2025** At least **40%** of the legal percentage for the direct hiring of people with disabilities.
- 2025** Increase of **20%** of the volume hired through Special Employment Centres for the provision of services in Redeia.
- 2030** **50%** of women on Redeia's Board of Directors and in the Group's management team.
- 2030** Promote **inclusion of groups at risk of exclusion** from society and employment.

What is measured?

Redeia recognises the importance of gender diversity across its workforce, Board of Directors, and management team. Beyond addressing the gender gap, Redeia is committed to generate a broader societal impact, since gender diversity fosters innovation, enhances decision-making, and contributes to social stability.

Management approach

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.

As a result of the Company'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 currently employs 24 individuals with disabilities equal to or greater than 33%. 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.

Strategic lines

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.

As part of the Diversity Plan, Redeia 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.

Calculation methodology

In order to evaluate the overall impact generated by Redeia's commitment to increase women's participation in the labour market, the gender composition of its workforce has been analysed. The primary goal consisted in quantifying the economic implications resulting from a reduced female presence in the labour force, which are measured in terms of non-paid salaries. The methodology developed by Harvard Business School (2021), was used as the main foundation to calculate the positive effects of Redeia's diverse workforce. A sectorial examination for each one of Redeia's subsidiary has also been carried out.

Value chain stage

Supply chain	<input type="radio"/>
Own operations	<input checked="" type="radio"/>
Environment and society	<input type="radio"/>

Capital

Industrial	<input type="radio"/>
Financial	<input checked="" type="radio"/>
Human	<input checked="" type="radio"/>
Natural	<input type="radio"/>
Technological-intellectual	<input type="radio"/>
Social-relational	<input type="radio"/>

Stakeholders

Employees	<input checked="" type="radio"/>
Suppliers	<input type="radio"/>
Financial-economic ecosystem	<input type="radio"/>
Customers	<input type="radio"/>
Regulatory bodies and the public administration	<input type="radio"/>
Business ecosystem	<input type="radio"/>
Social ecosystem	<input checked="" type="radio"/>
Environmental ecosystem	<input type="radio"/>

Contribution to the SDGs



Impact index calculated on the basis of Redeia's 2023 net profit (net profit = 100).

Training

Impact index: **0.22** | Robustness: **High**

Impact



Indicators

37 hours of training per employee.

Targets

Achieve the **cultural transformation** of Redeia by developing talent and anticipating needs to tackle the challenges of the 2021-2025 Strategic Plan.

What is measured?

Redeia's unwavering commitment to employee training extends beyond individual growth—it reverberates throughout society. By investing in their workforce, Redeia cultivates a skilled and adaptable workforce. Thereby, it is possible to increase the overall productivity and fuel innovation. Moreover, well-trained employees become ambassadors, sharing knowledge and best practices beyond the company walls, fostering a culture of continuous improvement across industries and communities.

Management approach

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. This entails 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.

During the year, Redeia invested €1,618 in training per employee, with 2,347 total professionals trained and an average satisfaction with the programmes of 8.7. Some of the learning initiatives in which the Company has kept working are Redeia Campus activities, talent differentiation engagement and recognition, knowledge management (consolidating the Value of Your Experience programme) or cooperation with the educational sector, among others.

Strategic lines

Redeia's strategy is based on the Talent Management Model, which is made up of five pillars: Talent acquisition, selection, and integration; Talent differentiation; Training and professional development plans; Knowledge management; and Transformative leadership.

Calculation methodology

The methodology provided by the VBA served as a robust foundation for the mathematical approach applied in this context. The VBA methodology allows to measure the SROI of the financial resources allocated to the training of employees, allowing researchers to stress the higher return in education depending on the specific cultural and geographical context considered. In order to compute the final results, one needs to retrieve a series of coefficients from the academic literature (Psacharopoulos and Patrinos, 2004) as well as from National Statutes (Article 33.3. of the Workers' Statute).

Value chain stage

Supply chain	<input type="radio"/>
Own operations	<input checked="" type="radio"/>
Environment and society	<input type="radio"/>

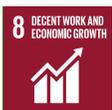
Capital

Industrial	<input type="radio"/>
Financial	<input type="radio"/>
Human	<input checked="" type="radio"/>
Natural	<input type="radio"/>
Technological-intellectual	<input type="radio"/>
Social-relational	<input checked="" type="radio"/>

Stakeholders

Employees	<input checked="" type="radio"/>
Suppliers	<input type="radio"/>
Financial-economic ecosystem	<input type="radio"/>
Customers	<input type="radio"/>
Regulatory bodies and the public administration	<input type="radio"/>
Business ecosystem	<input type="radio"/>
Social ecosystem	<input checked="" type="radio"/>
Environmental ecosystem	<input type="radio"/>

Contribution to the SDGs



Impact index calculated on the basis of Redeia's 2023 net profit (net profit = 100).

Conclusions

4



The Management Team

The management team is composed of experienced professionals who are responsible for ensuring the success of Redeia's business. The team has a proven track record of driving growth and innovation across all business units. The team is committed to delivering exceptional customer experiences and driving sustainable growth for the company. The team is also committed to driving positive social and environmental impact across all business units.

Our company was built on a foundation of innovation and excellence. We have a proven track record of driving growth and innovation across all business units. The team is committed to delivering exceptional customer experiences and driving sustainable growth for the company. The team is also committed to driving positive social and environmental impact across all business units.

Keys to Success

1. Marketing power: We need to have our products on the shelves with attractive packaging and enough marketing power to maintain a 40% or more market share.
2. Product quality and customer satisfaction: Everything we sell is paramount, so the product has to be what we promise.
3. Long-term customer satisfaction is critical to our survival.
4. The right management team, with strong foundations in marketing, operations, finance, and product development. Enough working capital to serve in the working capital-intensive retail field.



Throughout this analysis, Redeia presents its second consolidated impact report—a testament to its unwavering commitment to transparency, progress, and societal wellbeing. As anticipated last year, this report reflects the tireless efforts of the Company to refine its methodological framework, aiming for precision in assessing the profound impact it wields within the communities where it operates.

In an interconnected world, mere intentions are insufficient. To achieve meaningful changes, firms need to be aware of the full scale of their externalities. Accurate statistics serve as a compass, guiding companies, and therefore individuals, toward a more sustainable, equitable future.

With this in mind, Redeia has decided to adopt a series of new proxies to allow readers to glimpse the holistic impact of its activities. No longer confined to

balance sheets, the Company now considers the intangible, the ripples of its actions across ecosystems, livelihoods, and aspirations. Whether it is a new R&D investment or a training program empowering an employee, each thread weaves into a vibrant fabric of change. Furthermore, given that the impact of Redeia is not monolithic but varies across subsidiaries and regions, the Company has disaggregated its impact calculations to gain clarity by considering all these aspects. Finally, to measure the true worth of R&D endeavours and social development initiatives, Redeia has forged a new and more accurate methodology.

Yet, some limitations persist, serving as a reminder that the process of quantifying a company's impact on society is continually evolving. Nevertheless, Redeia embraces these challenges



As Redeia navigates its strategic trajectory, its impact transcends mere annotation; it embodies a steadfast promise toward continuous progress.



Redeia's goal is to continue to evolve in impact measurement and management to generate shared value for its stakeholders, communities and the environment in which it operates.



as opportunities for improvement and refinement. For instance, the organisation leverages this process to review less robust proxies in accordance with a roadmap established by the Company. This proactive approach is a key aspect of its Comprehensive Impact Strategy—a symphony of purpose that not only resonates across boardrooms, but also extends its influence beyond, shaping industry



standards and fostering a more sustainable business environment.

Assessing Redeia's impacts is crucial for both stakeholders and society at large. Impact assessments inform decision-making, mitigate risks, enhance transparency, ensure strategic alignment, and fulfil social responsibility. They empower Redeia to navigate responsibly and contribute meaningfully to societal wellbeing.

1 Executive summary

2 Introduction

3 Redeia's environmental, social and economic impact

4 Conclusions

5 References

6 Annex

References

5

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1 Executive summary

2 Introduction

3 Redeia's environmental, social and economic impact

4 Conclusions

5 References

6 Annex

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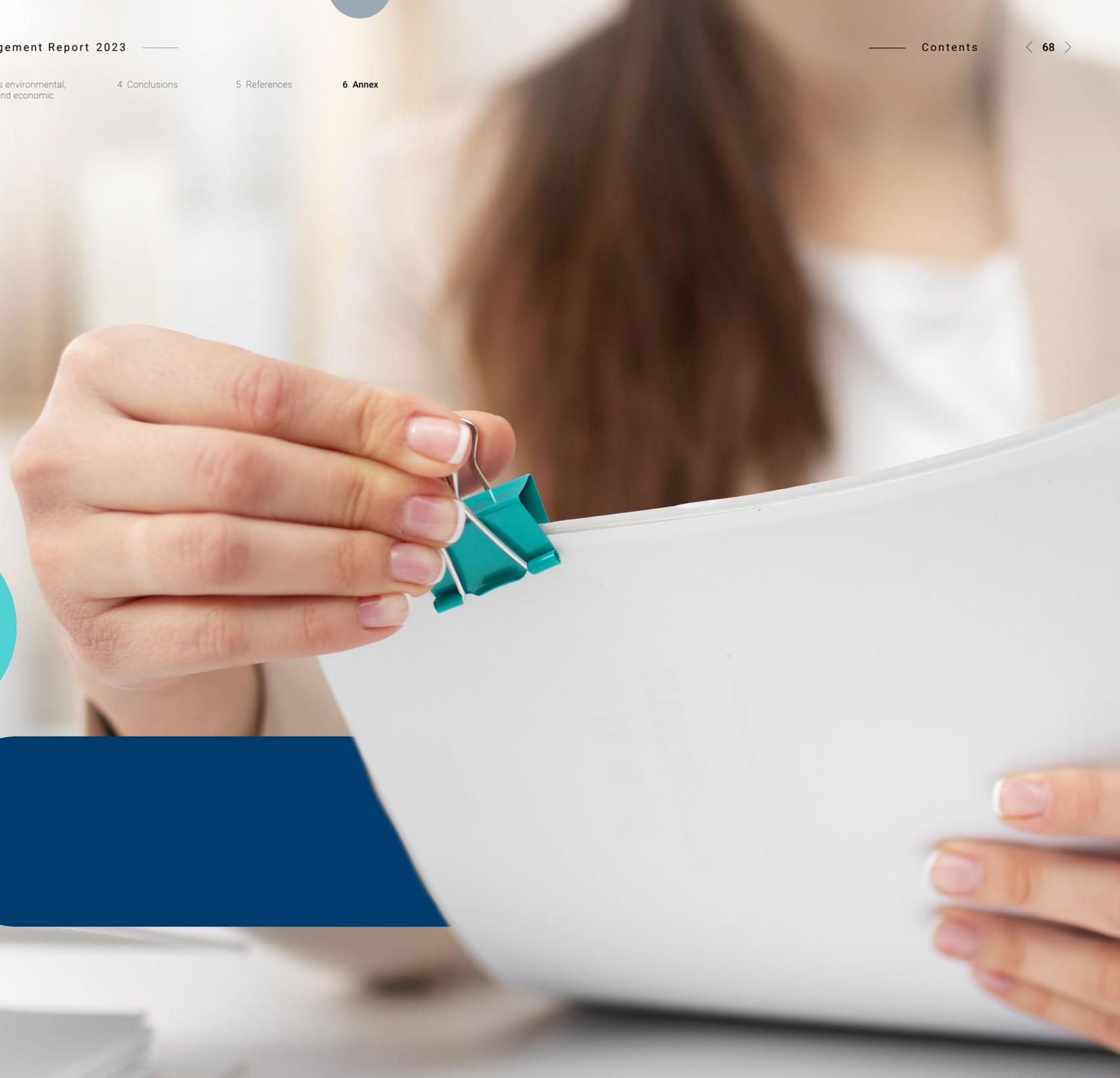
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Limitations of impact measurement

Business impact measurement currently faces significant limitations due to the absence of external standards and universal norms related to the assessment of the economic, social, and environmental impact of organisations. This can lead to variations between entities because of the use of different approaches, metrics, and criteria, making it difficult to compare and understand results in a consistent way, even if the impact measurement methodologies used in each case are acceptable and well applied.

In addition, due to the complexity of the process, qualitative data and quantitative estimates are often required, which can make it difficult to quantify impacts accurately. Furthermore, the results of impact measurement may change from one year to the next due to an update of the methodology through which they are calculated, or because of an improvement or extension of the methodological process. Thus, changes in the way impact is measured and assessed can influence the results obtained, making it difficult to make direct comparisons between different periods and the evolution of results in terms of impact between different organisations.

Finally, it is important to note that companies face difficulties in correctly attributing results to their specific activities, as there are multiple external factors that can influence the observed impacts.



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