



2022

Annual Impact
Measurement and
Management Report

Our social value

redeia

El valor de lo esencial

1

Executive summary

> 2

2

Introduction

Redeia's impact measurement

Impact management at Redeia

> 6

3

Redeia's environmental, social and economic impact

Measuring impacts by strategic priority

Decarbonisation of the economy

Responsible value chain

Contribution to social, economic and environmental development

Anticipating change and taking action

> 15

4

Conclusions

> 49

5

References

> 52

6

Annex

> 54

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.



1.

Executive summary

Executive summary

As stated by the Chair of Social Impact at Comillas Pontifical University, an impact is defined as “the changes that affect people as well as the planet, due to a specific activity, project, programme or policy and which have a long-term effect on human conditions”. In line with this concept, this report constitutes Redeia’s first consolidated impact study, in which the estimated impacts caused by the company’s activity during the 2022 financial year are analysed in detail.

The analysis carried out here lays the methodological foundations and paves the way for continuous follow-up and monitoring that will enable the effects of Redeia’s activity on its stakeholders to be quantified with greater precision.



This first Impact Report has two objectives: to provide an overview of the shared social value generated by Redeia in the environment in which it operates and to explain how the company manages its impacts.

Measuring impact is not an easy task, but it is essential to understand the true value of business activity in society. In this sense, Redeia takes an important step forward by presenting its first **Impact Measurement and Management Report**, which reflects its commitment to transparency and social responsibility. In this report, Redeia aims to provide a clear vision of the estimated annual and environmental shared value that the company generates in its environment and how it manages its impacts. This also represents the initial step on a path towards long-term impact measurement.

Redeia's importance also lies in its commitment to the sustainable transition of the value chain and its culture of responsibility. The company strives to reduce its environmental impact, improve the working and social conditions of its employees and suppliers and support the communities in which it operates, neutralising a large part of its potential negative impacts and generating positive value in areas such as ecological transition, economic development, and ecosystem protection. Redeia's work on diversity, innovation and the development of its human capital is also noteworthy.



The methodology used is based on international standards and focuses on measuring the impacts that have been identified in economic, social, and environmental terms in the value chain. This is achieved through *proxies*, social multipliers that allow the monetisation of the impacts generated by the activity of the companies, and that constitute a valuable tool to facilitate decision-making and increase transparency in the sector. However, they should be taken with caution, as in some cases measurement presents areas for improvement due to the difficulty of finding suitable tools for impact assessment.

The results are expressed in an impact index that values Redeia's economic, social and environmental and social externalities in relation to its net financial profit. Thus, with a total impact index of +1,452, the value of the company's externalities can be interpreted as 14.5 times its net profit in 2022.

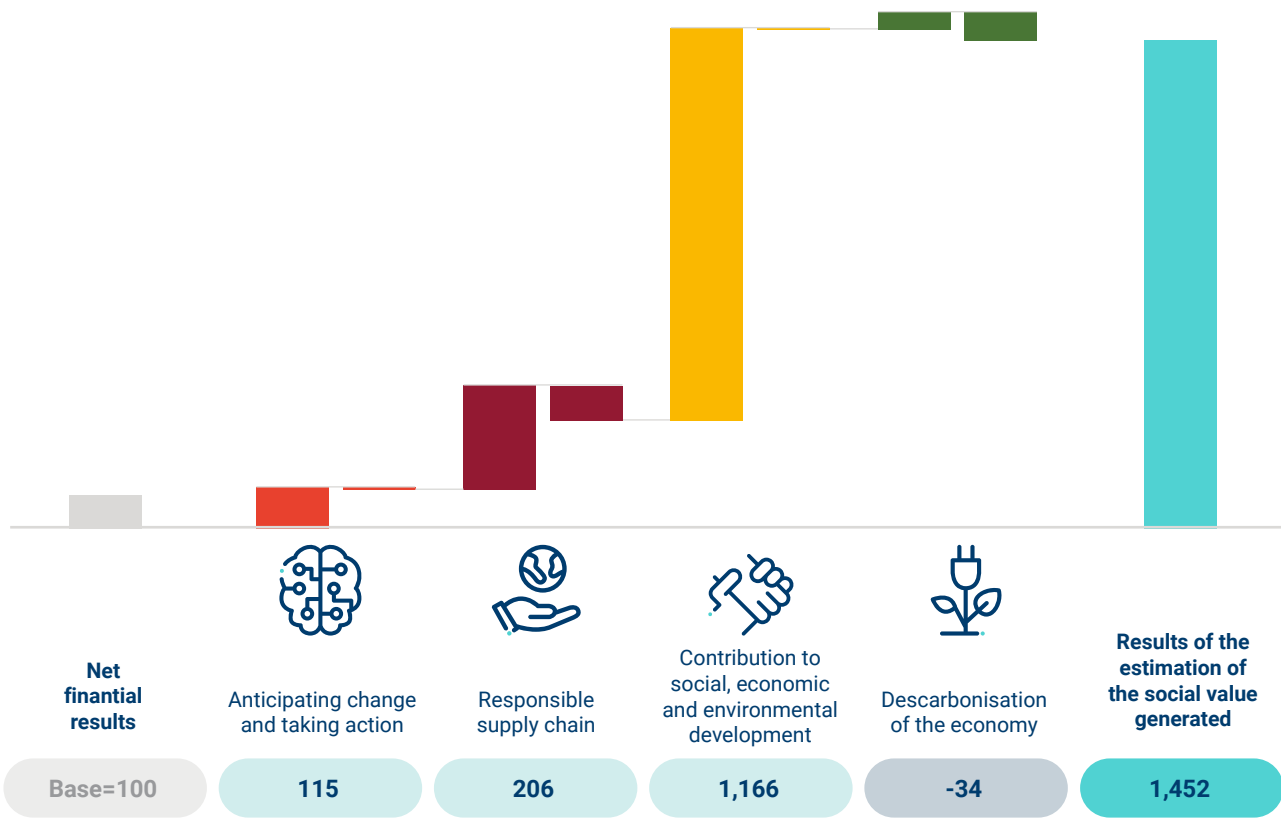
The company's commitment to the sustainable transition of the value chain and its culture of responsibility explain the importance of Redeia for its stakeholders.

The company 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.

Impacts fiscal year 2022 by strategic priority

Categorised by strategic priorities (according to the company's 2030 Sustainability Commitment), the results for 2022 show that the company stands out for its contribution to environmental development, for the facilitating effect of electricity supply and connectivity as essential vectors of economic and social activity and for safeguarding basic human rights. This pillar represents a contribution of social value equivalent to 11.7 times its net profit. Mainly, access to and guarantee of electricity supply, both for the economy and for households, connectivity, and the tractor effect that Redeia's activity has on the economy are the impacts that report the greatest positive value. Considering the rest of the pillars, the total positive impact of Redeia represents 16.5 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 an impact index of -197, a negative value equivalent to almost 2 times the net profit.

The results will be a relevant contribution to Redeia's impact management strategy, aimed at maximising the positive impacts and neutralising the negative effects of its activity on its stakeholders and its environment.



Results are expressed in terms relative to net financial profit in 2022 (Net profit = 100). For more information on the construction of the index, see Chapter 3.

2.

Introduction

In 1985, Red Eléctrica (now company of Redeia) was born as the first company in the world dedicated exclusively to Transmission and System Operation (TSO). Since then, the company has grown with a vocation for service, technological excellence and a culture based on diversity and equal opportunities to become a solid and diversified group.

Today Redeia is a social, environmental and economic pillar in the areas where it operates, and has a roadmap with a clear mission based on these 3 pillars: to have the capacity to manage and guarantee electricity supply and provide connectivity services in the field of telecommunications that help connect people (social pillar), to contribute to making the ecological transition a reality by being the backbone of a decarbonised system (environmental pillar), and provide essential services for the other sectors of the productive system (economic pillar).

The purpose of this Report is to disclose the identified and measured impacts derived from Redeia's activity, highlighting the generation of shared value for society, in accordance with the methodology detailed in section *Redeia's impact measurement* in this document. In this sense, this report constitutes a tool in a continuous process of improvement, which expands the available information to all the company's stakeholders.

The results obtained from the quantification of the impacts identified in this Report are integrated into Redeia's decision-making processes to improve the organisation's management, anticipating possible regulatory changes and financial risks.



Redeia has a clear purpose as a driver of change: to guarantee electricity supply and connectivity, promoting a fair ecological transition with sustainability criteria, valuing its neutrality and contributing to social and territorial cohesion.

Redeia's impact measurement

CONTEXT

Coinciding with the launch of the United Nations SDGs, since 2015 monetisation of social and environmental impacts has been advocated as a way to assess the true performance of organisations, moving away from a perspective focused solely on the financial sphere.

Recently, organisations such as Harvard Business School and Value Balancing Alliance have taken up the baton in impact monetisation. The former, through its Impact Weighted Accounts, and the latter, through its impact valuation standard. Their work has been used as input by the European Commission in its Corporate Sustainability Reporting Directive (CSRD).



Redeia's commitment to impact measurement has enabled an evolution in terms of traditional processes and performance indicators.

This context, in which companies are increasingly evaluated by their capacity to generate positive impacts and contribute to social transformation, has pushed Redeia to evolve its traditional indicators related to investment and results towards a global impact measurement model.



One of the most relevant levers for the quantification (monetisation) of impacts is the use of social value multipliers, commonly known as *proxies*⁽¹⁾. This technique makes it possible to express the value of impacts in economic terms, which facilitates decision-making by companies and other stakeholders. On the one hand, monetisation makes it possible to express the company's externalities⁽²⁾ in a single unit, i.e., to give a monetary value to the impacts it generates on its environment and stakeholders, which is a great management tool for internal and external decision-making. On the other hand, it allows the results of the analysis to be expressed in terms of units that are sometimes more easily understood by stakeholders, which can help to improve transparency and accountability.



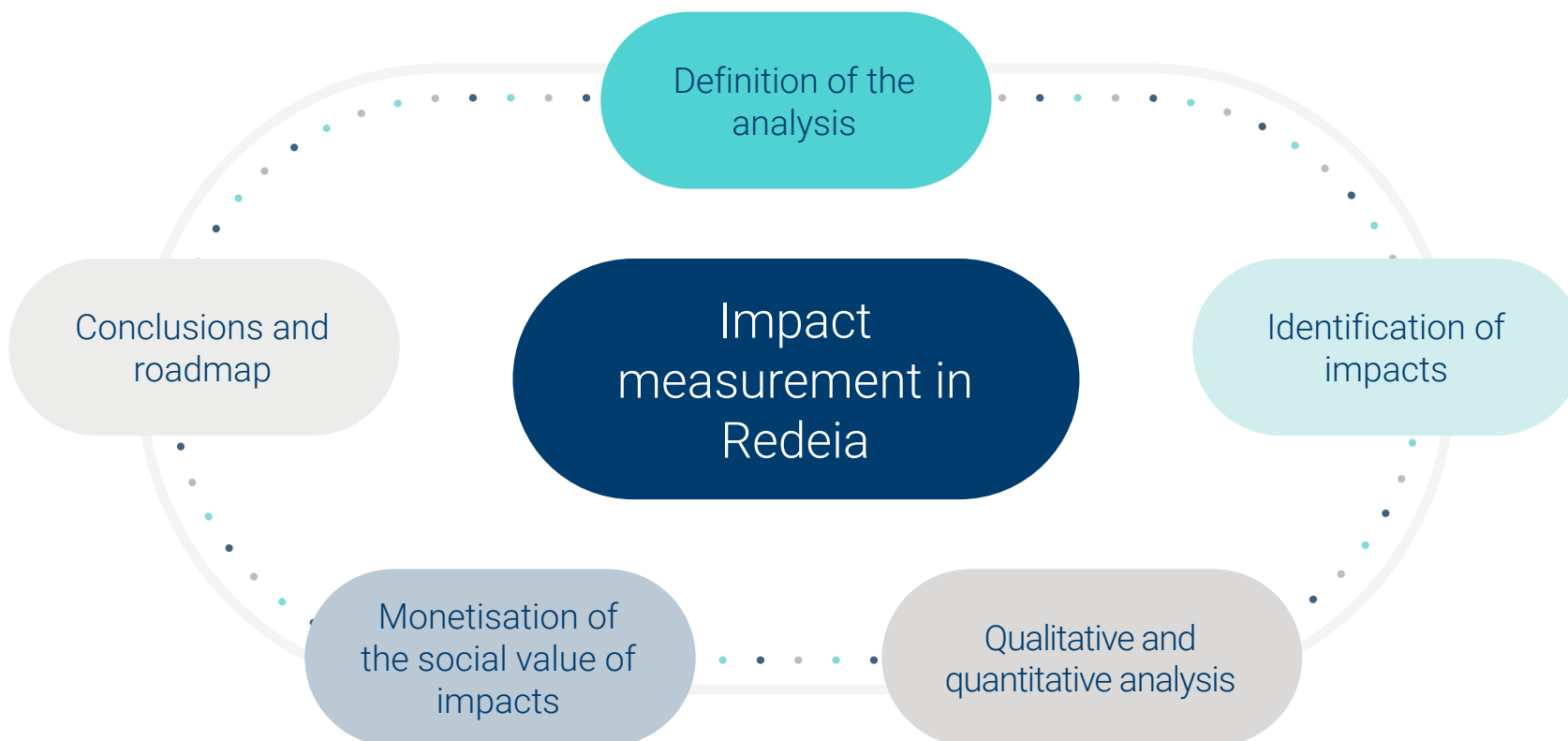
It is important to note that monetising impacts through proxies also has limitations. In some cases, it may be difficult to assign a precise monetary value to certain impacts, especially those that have long-term consequences or relate to areas less present in the research world. Moreover, monetisation can lead to the oversimplification of complex problems or even to the overvaluation of impacts that can be easily measured in monetary terms to the detriment of other important but more difficult to monetise impacts. It is therefore important to base the analysis on robust methodologies and sources of information of proven relevance.

(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 and stakeholders, which are generated as a result of the company's activity and which are not reflected in the production costs of a good or service and, therefore, not in its market price. Source: "Challenges and opportunities in measuring social impact". Management Solutions, 2022.

REDEIA'S IMPACT MEASUREMENT METHODOLOGY

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





- **Definition of the analysis:** in this phase, the main developments in the field of impact, international best practices, and methodological alternatives to carry out the measurement were taken into account. Following the analysis, the first impact measurement exercise was aimed at having a robust measurement methodology specific to Redeia, identifying possible areas for improvement, and producing an initial estimate of the social value generated by the company. In the same way, a holistic approach has been considered, considering Redeia's most relevant business activities and their positive and negative impacts at international level. In terms of time, it has been chosen to monetise the impacts corresponding to the last fiscal year, 2022, annualising the value of those externalities that cover a longer period.
- **Identification of impacts:** for this phase, an in-depth characterisation of Redeia's business model was carried out, taking into account all stages of the value chain, the stakeholders impacted, and a perspective based on the six capitals of the *International Integrated Reporting Council* (IIRC). Relevant tools such as the company's dual materiality analysis were used during the process. The result has been the identification of a catalogue of more than 20 impacts, both positive and negative, related to the company's activity.
- **Qualitative and quantitative analysis:** once the main impacts had been identified, a qualitative analysis was carried out to identify the effects produced by the company on the natural environment, its stakeholders and the economy. In addition, the company's impact indicators have been used to evaluate Redeia's management approach and help dimension the effects produced.

- **Monetisation of the social value of impacts:** based on Redeia's impact indicators and proxies or academic multipliers from institutions of international relevance, the social value of Redeia's externalities has been quantified. The company has considered the guidelines of entities such as the *Value Balancing Alliance* (VBA), Harvard Business School through its Impact-Weighted Accounts, the *World Business Council for Sustainable Development* (WBCSD) and the Capitals Coalition, among others.
- **Conclusions and roadmap:** the last phase of the analysis consisted of interpreting the results and drawing up a roadmap for progress in measuring impact. With regard to the results obtained, it is worth highlighting their strong relationship with the company's core business, emphasising those impacts related to access to electricity and the enabling effect on the economic system and the energy transition. As areas for improvement, the company expects to have a greater breakdown of the results in the coming years and to improve the robustness of the more complex impacts based on the integration of new monetisation methodologies developed *ad-hoc* for the company's business.

In any case, impact measurement at Redeia is a process of continuous improvement that aims to continue to develop its strength, to integrate new available information and to advance in line with future legislative developments and best practices at national and international level. Thus, this Impact Measurement Report is a first approach towards the monetisation of impact by the company, being a process under development that will allow further updates and adaptations, from the calculation methodologies to the results or impact management if necessary.

Impact management at Redeia

Redeia has an impact management framework that is articulated through different commitments, plans and strategies that will continue to be developed and will use the information in this study, with the aim of mitigating negative impacts and enhancing positive impacts. The organisation's main commitments and strategies are listed below. For more information, the complete list can be found in the [Sustainability Report 2022](#).



Commitments and impact strategy of Redeia

2021-2025 Strategic Plan

With the aim of making Redeia's main purpose possible, i.e., to guarantee electricity supply and connectivity in the field of communications throughout the territory, in 2021 the Board of Directors approved the 2021-2025 Strategic Plan, which prioritises the development of the ecological transition in Spain to move towards a decarbonised economy in an efficient manner, 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. These seven strategies are developed in 25 initiatives that will be specified in more detailed lines of action.

2030 Sustainability Commitment

Redeia is committed to a strategic, transversal commitment to sustainability with a long-term vision. Redeia's 2030 Sustainability Commitment to Sustainability 2030, approved by the Board of Directors, embodies the company's commitment to long-term sustainability through 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.

Double-materiality analysis

The Materiality study aims to identify the issues that define Redeia's sustainability management and accountability priorities and therefore determine its Sustainability Plan.

The methodological approach applied in Redeia's 2022 Materiality study revolves around the concept of double materiality. This concept makes it possible to identify those sustainability issues that are relevant to the group, considering 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, highlighting the value of internal transversality and external alliances, and consolidating the group as a global benchmark in sustainability.

The Plan, approved by the Board of Directors in October 2022 after validation by the Sustainability Steering Committee, the Executive Committee and the Sustainability Committee of the Board of Directors, 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 the natural capital

Redeia is committed to generating a net positive impact by 2030 on the natural capital surrounding its new facilities. Through the 2030 Biodiversity Roadmap, a plan focused on natural capital has been designed to achieve the objective set through specific actions and targets in this area. 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.

Commitments and impact strategy of Redeia

Climate Change Action Plan

In 2011, Redeia designed a Climate Change Action Plan that set out a set of challenges to mitigate or mitigate the effects of climate change. The 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 4 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

Redeia has a Circular Economy Roadmap, which establishes objectives and actions for its fulfilment. The main objective is to achieve 100% circular supplies, i.e., that the equipment and materials used are manufactured from recycled or reused materials and 100% resource recovery.

The Roadmap focuses on five areas:

- Reduce and transform the consumption of raw materials, prioritising the use of recycled, recyclable or reusable materials.
- Take 0% of waste to landfill by promoting alternative treatments.
- Minimise the number of incidents, strengthen accident prevention and response protocols and treat contaminated soil.
- Reduce water consumption.
- Optimise the consumption of resources across the board in all activities carried out.

2023-2025 Comprehensive Diversity Plan

Through the Comprehensive Diversity Plan, Redeia promotes equal opportunities as a way to increase well-being at work, creating a space that contributes to family reconciliation and firmly supporting the diversity of knowledge, experience and gender. The three pillars of the Plan are gender equality and opportunities, age management and the inclusion of people with disabilities.

Social Innovation Action Plan

Redeia has 4 areas of work that focus on digital, territorial, generational and gender inequalities.

3.

Redeia's environmental, social and economic impact



Through this report, Redeia aims to focus on the impacts derived from its performance as a company, with the materiality matrix being one of the key elements in identifying them.

In this case, the concept of “double materiality” has been followed, that is, bringing together in the same analysis both the issues that are relevant due to their impact on the business (financial materiality), and the issues related to the company’s impact on the surroundings, society or the environment (impact materiality). This second concept is particularly relevant for this publication, as it has helped to identify the importance of Redeia as an enabling agent in the fight against climate change, energy transition and innovation, or technology and digitalisation, among other aspects.

Thus, in one way or another, these issues reflect the impacts that have been quantified in the analysis. For methodological reasons, in some cases the material issues have been separated into distinct impacts or consolidated.

The analysis is based on the double materiality approach, which takes into account both financial and impact perspectives.

Prioritisation of materiality issue Matrix



Prioritisation of issues

CRITICAL

1. Energy transition
2. Innovation, technology and digitalisation
3. Social Licence to Operate (SLO)⁽¹⁾
4. Climate change

HIGH

5. Regulatory framework⁽¹⁾
6. Supply chain
7. Diversity
8. Biodiversity
9. Customer orientation
10. Circular economy
11. Landscape integration of facilities⁽¹⁾
12. Occupational health &, safety and well-being
13. Talent

⁽¹⁾ New materiality issue with respect to the matrix of 2019.

Impact accounts

The estimated annual impact scoreboard concentrates all the impacts identified and analysed. They are categorised according to the four strategic priorities of 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 attributed its positive and negative effects, and the aggregation of all the effects reports total results and by blocks.

An impact index based on net benefit has been used in this study. For its calculation, the values of the calculated externalities have been relativised on the basis of an index that considers the net benefit to be equal to 100.

In total, the overall net impact index amounts to 1.452, which is equivalent to 14.5 times Redeia's net profit in 2022.

The main impacts by priority are as follows:

- **Decarbonisation of the economy:** emissions avoided generate a significant positive impact, corresponding to 0.5 times Redeia's net profit, partially offsetting the negative effects of the total emissions emitted. In this case, the total net impact on decarbonisation is negative, with an estimated impact index of -34.5 (0.35 times net profit).
- **Responsible value chain:** most of the quantified positive effects come from the direct impact and the tractor effect, while the use and supply of raw materials concentrates the negative impact. The net impact of this block is positive, equivalent to 2 times Redeia's net profit.
- **Contribution to social, economic and environmental development:** All impacts calculated in this block are positive. Access to electricity supply and connectivity is the most relevant impact of all the impacts measured. The contribution is equivalent to 11.6 times Redeia's net profit.
- **Anticipating change and taking action:** *intellectual capital* generates the most positive effects, while negative effects are concentrated in diversity. The total net impact of the block is positive, with an estimated 1.1 times Redeia's net profit.

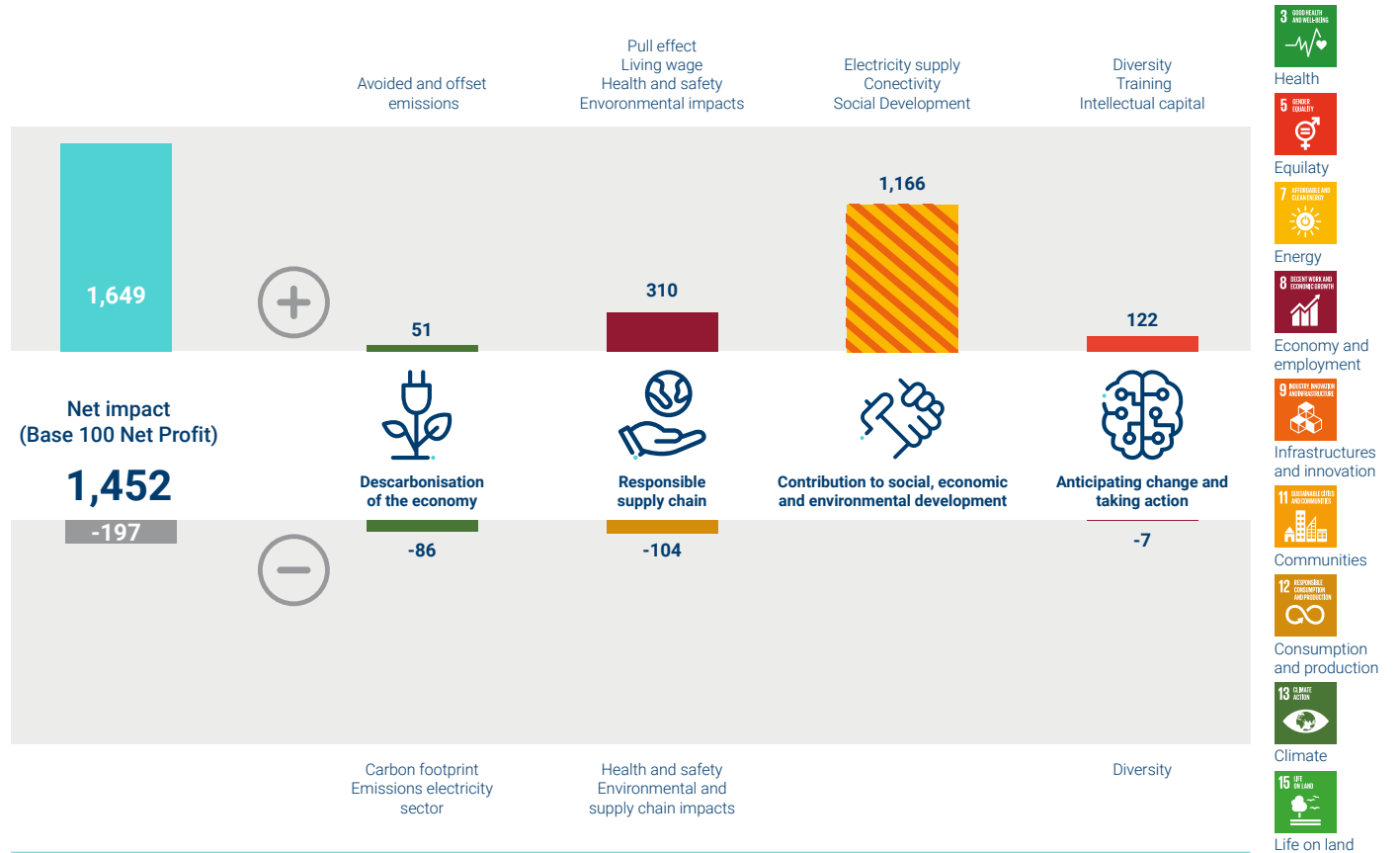
The overall net impact index is 1,452, equivalent to 14.5 times Redeia's net profit in 2022.

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

Impacts by strategic priority and SDGs

Categorised by strategic priorities, *contribution to social, economic and environmental development* and *responsible value chain* are those that concentrate a large part of the impacts, mainly positive. The impacts, classified by priority, are analysed in depth in section *Measuring impacts by strategic priority*.

Impacts of 2022 by strategic priority and SDGs



Main SDGs impacted

Expressed in terms of the Sustainable Development Goals (SDGs), Redeia's most relevant impacts are on 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" and SDG 13 "Climate action". Other goals are also impacted to a lesser extent, such as SDG 5 "Gender equality", SDG 15 "Life on land", SDG 3 "Good health and well-being", SDG 11 "Sustainable cities and communities" and SDG 4 "Quality education".

and production" and SDG 13 "Climate action". Other goals are also impacted to a lesser extent, such as SDG 5 "Gender equality", SDG 15 "Life on land", SDG 3 "Good health and well-being", SDG 11 "Sustainable cities and communities" and SDG 4 "Quality education".

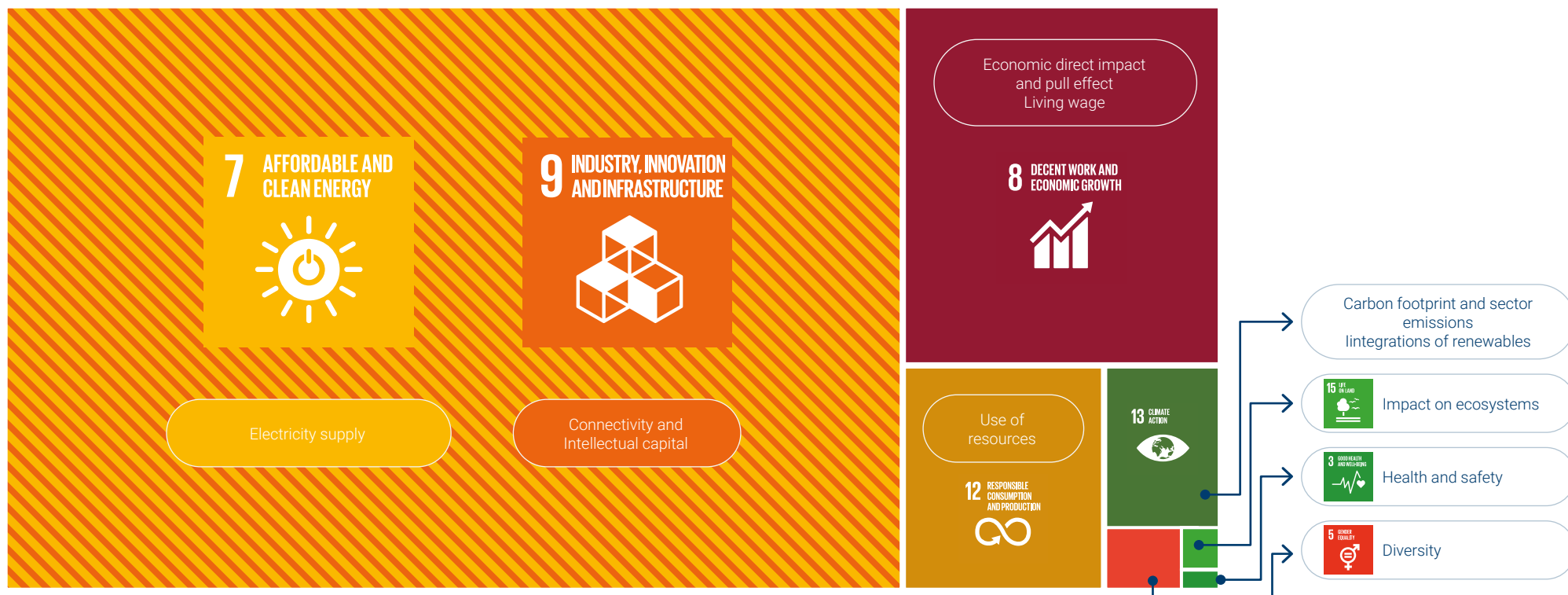
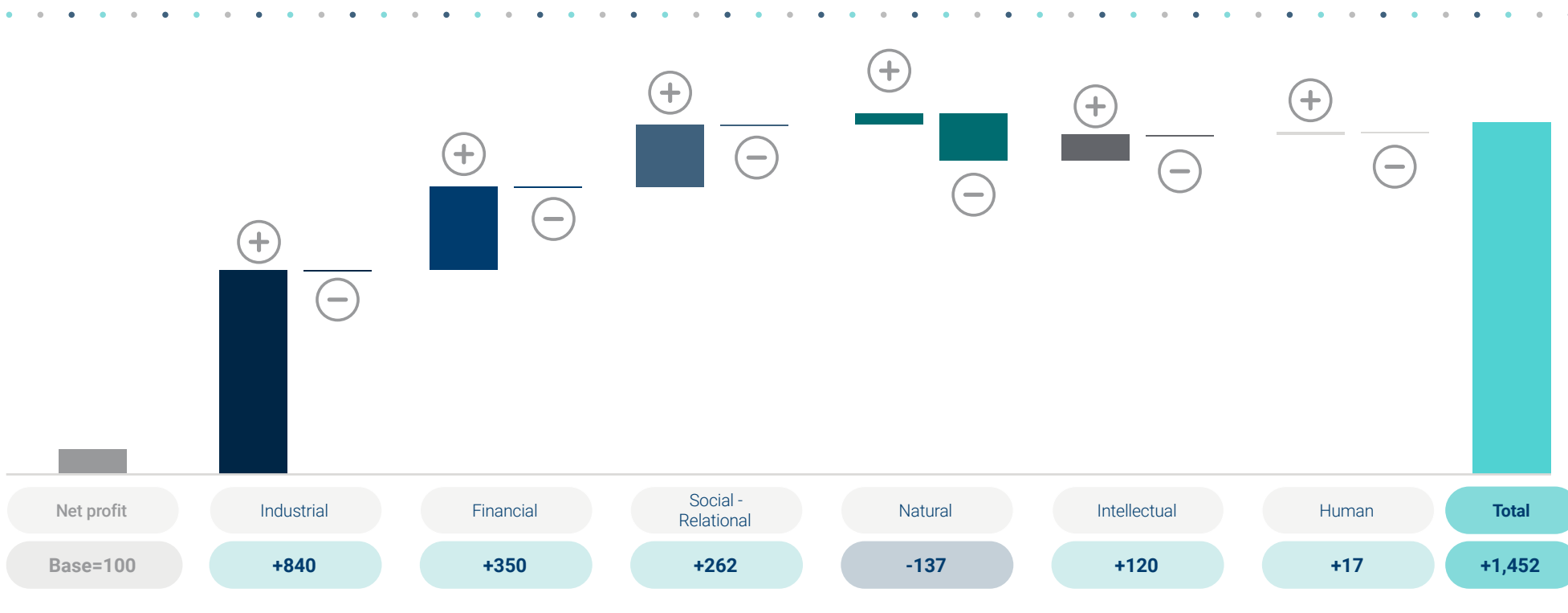


Figure based on absolute impacts using the net profit in 2022 as basis 100.

Impacts by capitals⁽¹⁾

A reading of the most significant impacts of Redeia distributed among the different capitals shows that industrial capital is the one with the greatest contribution to the total figure due to its link to the most significant impact (access, availability, and guarantee of electricity supply to the economy). Financial and social-relational capitals are the next most positively impacted capitals, followed by intellectual, human, and natural capital.

On the other hand, the results of the analysis indicate that Redeia's activity has an impact on natural capital (the negative effects identified are mainly due to the consumption of raw materials for the equipment used and emissions from the electricity sector), as well as some negative effects on human capital in terms of diversity. Industrial, financial, intellectual, and social-relational capital are not negatively affected by Redeia's activity.



(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 intellectual capital improves when professionals receive training. Six capitals are defined: industrial, financial, social-relational, natural, intellectual, and human.

Measuring impacts by strategic priority

Throughout this sub-chapter, each of the impacts studied are broken down within the framework of Redeia's four strategic priorities..

IMPACT SHEETS

Each of the impacts developed in this chapter *Measuring impacts by strategic priority* is described schematically by means of a summary sheet. The template used for each of them is shown below with a brief description of the sections included.



Name of the impact

Impact index:

Robustness:

Impact index

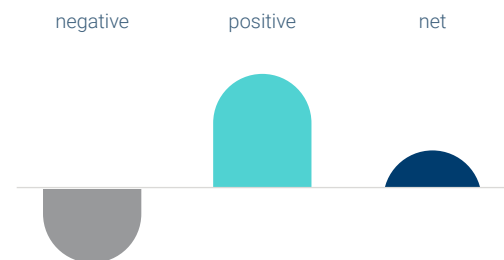
[Impact index calculated from the total net result generated by the externality and shown based on Redeia's net profit in 2022 (Net profit = 100).]

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 "limited" level refers to methodologies that have a lower level of maturity or whose calculations are based on less rigorous approximations. The "medium" level marks a middle ground between the two.]

Impact

[Graphical representation of the positive, negative, and net impact generated.]



Contribution to the SDGs

[Main SDG to which the impact contributes.]

Indicators

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

Targets

[Descripción de los objetivos fijados por Redeia en relación con el impacto en cuestión, que pueden ser tanto cualitativos como cuantitativos.]

What is measured?

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

Management approach

[Description of how the way 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, or 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 involved

Financial, industrial, human, 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; intellectual capital refers to Redeia's knowledge, 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.]

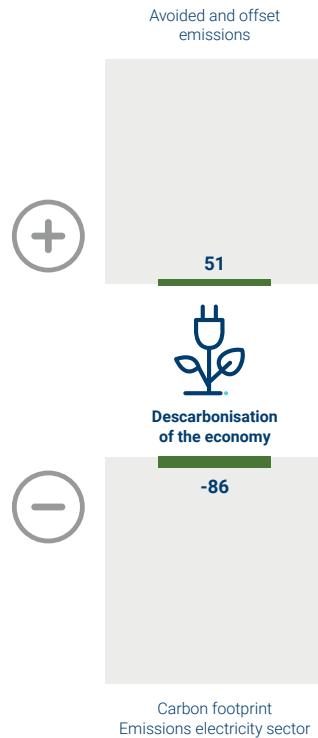
Stakeholders

Employees, suppliers, financial-economic ecosystem, customers, regulatory bodies and the public administration, business ecosystem, social ecosystem, 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.]

Decarbonisation of the economy

By establishing the decarbonisation of the economy as one of its strategic axes, Redeia seeks to be a proactive agent in the energy transition and move towards a clean, emission-free model. To achieve this, the company is committed to the electrification of the economy and the full integration of renewable energies.

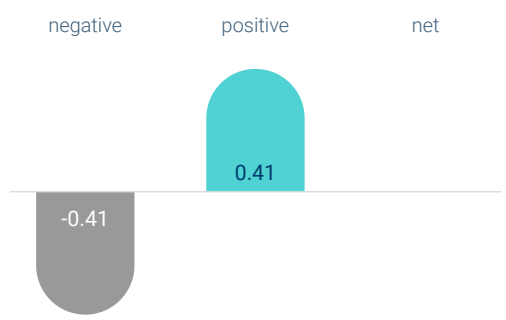
Redeia's impacts under this line of action are strongly linked to emissions. In particular, emissions from the electricity sector and emissions avoided by the integration of renewables are the most significant impacts, with impact indices of -64.4 and +50.7 respectively.



Impact index: neutral

Robustness: High

Impact



Indicators

- 20,542 tCO₂e of scope 1 emissions.
- 2,357 tCO₂e of scope 1 emissions avoided by carrying out SF₆ repairs on equipment.
- 26 tCO₂e of scope 1 emissions avoided by replacing equipment.
- 20,542 tCO₂e of scope 1 emissions offset by Redeia Forest (2,132 tCO₂e) and by VCS⁴⁾ (18,428 tCO₂e).

Targets

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

Value chain stage

- Supply chain
- Own operations**
- Environment and society

What is measured?

Direct GHG emissions. In the case of 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 use of air conditioning and heating in the facilities, and backup generators.

Management approach

Redeia measures its scope 1 emissions according to 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.

Calculation methodology

An approach based on the Harvard Business School proxy that provides information on the social cost of carbon has been used. This monetisation tool is used by organisations such as the American Environmental Protection Agency or the European Commission to carry out a cost-benefit analysis of policies and takes into account the potential effects that climate change could trigger in aspects such as GDP, welfare or the availability of raw materials, and gives an adjusted value per tonne of CO₂ equivalent so that it can be applied transversally to all greenhouse gases. For the mitigation of the negative impact, the compensation associated with the Redeia Forest and the VCS has been taken into account, and after valuing the Redeia footprint using this method.

The results have been adjusted for inflation and the exchange rate.

Capital involved

- Industrial
- Human
- Intellectual
- Financial
- Natural**
- Social-relational**

Contribution to the SDGs



Strategic lines

The company has a Plan focused on the carbon neutrality of its direct and indirect operations based on SBTi targets.

Stakeholders

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

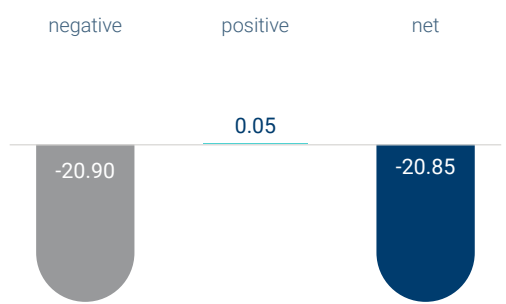
⁴ Verified Carbon Standard.
Impact index calculated on the basis of net profit (Net profit = 100).

Impact index calculated on the basis of net profit (Net profit = 100).

Impact index: -20.85

Robustness: High

Impact



Indicators

- 727,214 tCO₂e of scope 2 emisisions.
- 465,821 tCO₂e of scope 3 emisisions.
- 3,006 tCO₂e of scope 2 emisisions, avoided by purchasing electricity with a guarantee of origin (GoO) and by reducing electricity consumption.

Targets

- 2030** 55% reduction in scope 1+2 emissions compared to 2019.
- 2030** 28% reduction in scope 3 emissions compared to 2019.
- 2050** 90% reduction in scope 1+2 emissions compared to 2019 (Net zero emissions).
- 2050** 90% reduction in scope 3 emissions compared to 2019 (Net zero emissions).

Value chain stage

- Supply chain
- Own operations
- Environment and society

What is measured?

Scope 2 refers to indirect greenhouse gas 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 accordance 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).

Calculation methodology

Analogous to the previous calculation, an approach based on the social cost of carbon has been used. The proxy is from Harvard Business School. All results have been adjusted for inflation and the exchange rate.

Capital involved

- Industrial
- Human
- Intellectual
- Financial
- Natural
- Social-relational

Contribution to the SDGs



Strategic lines

The company has a Plan focused on carbon neutrality of its direct and indirect operations based on SBTi targets.

Stakeholders

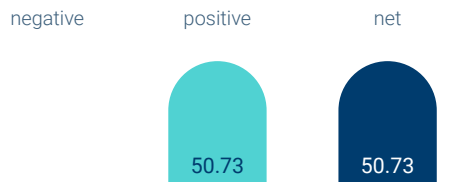
- Employees
- Suppliers
- Customers
- Business ecosystem
- Social ecosystem
- Environmental ecosystem
- Financial-economic ecosystem
- Regulatory bodies and the public administration

Impact index calculated on the basis of net profit (Net profit = 100).

Impact index: 50.73

Robustness: High

Impact



Indicators

- 34,957,635 tCO₂e of emissions avoided by the integration of renewables.
- 5,177 tCO₂e captured by the Redeia Forest.

Targets

- 2023** 52 M€ for the evacuation of renewables.
- 2024** 100% renewable electricity contracted.
- 2030** 100% of available renewable energy safely integrated into the electricity system: 74% of renewable energy in electricity generation.

Value chain stage

- Supply chain
- Own operations
- Environment and society

What is measured?

The integration of renewables both upstream in the value chain and in the company's own operations. The planting of trees by the company allows it to absorb polluting emissions in a natural way.

Strategic lines

The execution of the 2021-2026 Transmission Grid Planning, which is binding for the company, will enable it to achieve a national generation mix with more than 67% renewable energy by 2026. This objective is aligned with the 2021-2025 Strategic Plan and the 2023-2025 Sustainability Plan.

On the other hand, the company continues with its actions to absorb emissions through its Redeia Forest and other similar initiatives.

Management approach

In the field of renewable energies, Redeia has developed system operation tools, adapting them to the most demanding monitoring and control requirements, and has designed several predictive models for renewable generation. It is also carrying out projects and initiatives for their better integration (Quijote, Voltairee and the new Automatic Power Reduction Service). In addition, Red Eléctrica's Control Centre of Renewable Energy (CECRE) continues to be a pioneering centre and a world reference in the integration of renewable energies and new transmission lines have been built for the evacuation of these energies.

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 recovering 18 forests in Spain (993 hectares), absorbing GHG from the atmosphere.

Capital involved

- Industrial
- Human
- Intellectual
- Financial
- Natural
- Social-relational

Stakeholders

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

Contribution to the SDGs



Calculation methodology

Analogous to previous calculations, an approach based on the social cost of carbon has been used. The proxy has been sourced from Harvard Business School. All results have been adjusted for inflation and exchange rates. On the other hand, for the calculation of this impact, it has been considered that the company is part of the Spanish electricity market, and therefore and therefore has a proportional share of this impact due to its enabling role in the value chain.

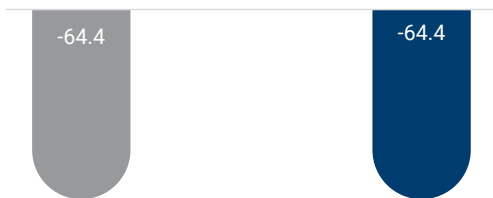
Impact index calculated on the basis of net profit (Net profit = 100).

Impact index: -64.4

Robustness: High

Impact

negative positive net



What is measured?

GHG emissions derived from the electricity sector entail a cost for society and the environment, due to the increase in polluting gases that cause climate change in the atmosphere. As the transporter and operator of the Spanish electricity system, the company is the backbone of the electricity system and, therefore, the enabler of the value chain in this sector.

Contribution to the SDGs



Indicators

- 44,446,199 tCO₂e of GHG emissions from the electricity sector in Spain.

Management approach

Redeia guarantees the security 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 an active 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.

Targets

One of Redeia's objectives is to support climate neutrality by ensuring the integration of renewable sources in the national electricity mix.

Calculation methodology

Analogous to the previous calculations, a social cost of carbon approach has been used. The proxy has been sourced from Harvard Business School. All results have been adjusted for inflation and the exchange rate. On the other hand, the company is part of the electricity sector and therefore has a share in this impact due to its enabling role in the value chain.

Value chain stage

Supply chain

Own operations

Environment and society

Capital involved

Industrial

Human

Intellectual

Financial

Natural

Social-relational

Stakeholders

Employees

Suppliers

Customers

Business ecosystem

Social ecosystem

Environmental ecosystem

Financial-economic ecosystem

Regulatory bodies and the public administration

Impact index calculated on the basis of net profit (Net profit = 100).

Responsible value chain

The responsibility of companies is transversal throughout their value chain, and the effects of their activity are present in all links of the chain. Aware of this, Redeia, in its 2030 Sustainability Commitment, extends this need to its entire value chain.

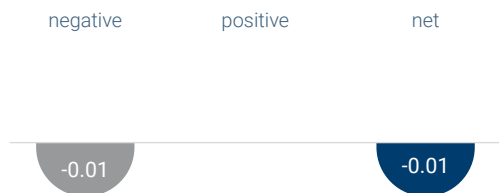
The direct impacts of Redeia's activity mainly affect natural resources and society. The tractor effect on economic activity, employment and tax contribution is the most significant impact among those identified in the value chain, equivalent to 2.86 times Redeia's net profit. However, the very nature of the company's activity also generates undesirable impacts on people and natural resources. In this sense, the raw materials used in Redeia's equipment generate the most significant negative impact, with an impact index of -99.1, which is equivalent to almost the net profit.



Impact index: -0.01

Robustness: High

Impact



Indicators

- 36,069 m³ of water consumption.

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 Redeia work centres to 6.5 m³/employee/year.
- 2030** Integration of circularity criteria in all activities, and incorporation of 100% of internal regulations.

Value chain stage

- Supply chain
- Own operations**
- Environment and society

What is measured?

Redeia's direct consumption of water resources involves certain treatment, supply and extraction activities that have an impact on the environment and society.

Management approach

Since it was launched in 2020, Redeia has made progress in the implementation of the Circular Economy Roadmap to 2030, having implemented, by the end of 2022, 10.4% of the planned actions related to the reduction of water consumption to 6.5 m³ employee/year.

Strategic lines

Through the Circular Economy Roadmap, Redeia is committed to reducing water consumption as much as possible. Ultimately, the organisation works to find alternative solutions to improve efficiency and optimise the use of this resource.

Capital involved

- Industrial
- Human
- Intellectual
- Financial
- Natural**
- Social-relational**

Contribution to the SDGs



Likewise, all the company's businesses are working on specific plans to reduce water consumption that include, among others, measures such as the installation of digital meters in all centres, leak detection, the implementation of low-consumption flushing systems, the installation of drip irrigation or the installation of smart meters in rented work centres.

Calculation methodology

In order to measure the net impact, the social value of water resources has been used. The indicator has been calculated using information from the Trucost tool, developed by Standard & Poor's (S&P), and has been adjusted according to parameters such as the level of water scarcity in Spain.

Stakeholders

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

Impact index calculated on the basis of net profit (Net profit = 100).

Impact index: -0.63

Robustness: High

Impact



Indicators

- Total consumption of water resources in the supply chain according to the company's internal information.

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.
- 2030** At least 25 supplies with the greatest impact on the transport network with criteria of circularity (life cycle analysis or LCA), climate change, human rights, security, diversity and biodiversity.

Value chain stage

Supply chain

Own operations

Environment and society

Capital involved

Industrial

Human

Intellectual

Financial

Natural

Social-relational

Stakeholders

Employees

Suppliers

Customers

Business ecosystem

Social ecosystem

Environmental ecosystem

Financial-economic ecosystem

Regulatory bodies and the public administration

What is measured?

Beyond its direct water consumption, Redeia's activity involves water consumption throughout the value chain, which implies an environmental and social cost due to the need to extract, treat and supply clean and safe water resources.

Contribution to the SDGs



Management approach

Integrating circular economy criteria into the organisation's activity, such as life cycle analysis, sustainable use of resources, eco-design, extending the life of assets and minimising and managing waste.

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

Strategic lines

The Supplier Code of Conduct disseminates and promotes responsible values and behaviour in the work and professional activity of supplier companies in their different spheres of action, and formalises the minimum ethical, social and environmental requirements that all suppliers must accept and comply with in order to collaborate with Redeia, also assuming the commitment to extend it to their own supply chain. This Code makes explicit reference to the optimisation of resource consumption.

Calculation methodology

Similarly to the previous calculation, in order to measure the net impact, the social value of water resources has been used. The indicator has been calculated using information from the Trucost tool, developed by Standard & Poor's (S&P), and has been adjusted according to parameters such as the level of water scarcity in Spain. The most important difference between the two impacts is that in this framework the supply chain is the focus of the analysis.

Impact index calculated on the basis of net profit (Net profit = 100).

Impact index: -0.30

Robustness: Medium

Impact



What is measured?

Power lines can have a negative impact on birdlife, causing habitat fragmentation and loss of biodiversity due to collisions, electrocutions and fatal accidents involving birds.

The signing of agreements for the reintroduction of birds in the impacted territory mitigates the negative effects of Red Eléctrica's activity and facilities.

Contribution to the SDGs



Indicators

- Number of specimens collided with Red Eléctrica's facilities.
- 39 detected affections to birds catalogued as endangered species.

Management approach

Biodiversity management at Redeia is carried out according to the impact mitigation hierarchy. Avoiding areas rich in biodiversity and forest areas is a priority criterion and the first to be considered when defining the location of the company's facilities.

To this end, environmental impact studies are carried out, the methodology of which establishes the requirement of not affecting areas catalogued as Natura Network and Priority Habitat, determining numerous conditions 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.

In an effort to reduce this impact, Red Eléctrica has implemented the project "Birds and power lines: mapping of bird flight paths", through which a set of focal species sensitive to collision have been identified, which have allowed sensitivity maps and risk maps to be drawn up. In addition, the ALERION project is working on the development of tools for collision detection. Another of the measures to reduce this risk is based on the marking of ground cables by means of devices that increase their visibility.

Targets

- 2025** 100% of the critical spans of lines marked by Red Eléctrica.

Strategic lines

2016-2025 multi-year line marking Plan, to prioritise actions on the sections of line that have the greatest impact on birdlife.

Calculation methodology

An approach based on the social value of different birds has been used. These proxies have been obtained from Soria (2017) and the Ministry for Ecological Transition and the Demographic Challenge. In particular, the governmental bodies have published the Environmental Responsibility Supply Model, which has been used in this framework. Based on these studies and internal information, the number of negatively impacted individuals has been adjusted.

The results have been adjusted for the level of inflation.

Value chain stage

Supply chain

Own operations

Environment and society

Capital involved

Industrial

Human

Intellectual

Financial

Natural

Social-relational

Stakeholders

Employees

Suppliers

Customers

Business ecosystem

Social ecosystem

Environmental ecosystem

Financial-economic ecosystem

Regulatory bodies and the public administration

Impact index calculated on the basis of net profit (Net profit = 100).

Impact index: -1.67

Robustness: Medium

Impact



Indicators

- **37,384 ha** of land affected by lines and substations in service.
- **993 ha** of forest recovered by Redeia since 2009.
- **77,200** trees planted by Redeia.
- **893 km** of submarine cable.
- **4 ha** of marine forest.
- **24.3 M€** of investment for biodiversity protection, fire prevention and landscaping.

Targets

Fulfil the commitment to protect vegetation and combat deforestation in 100% of investment projects.

- 2025** 0 serious environmental accidents at the facilities.
- 2030** Generate a net positive impact on the natural capital in the area surrounding the facilities.
- 2030** 100% decontamination of soils affected by accidental hydrocarbons spills.
- 2030** 100% reduction in the use of phytosanitary products in substations.

Value chain stage

Supply chain

Own operations

Environment and society

What is measured?

Soil, as well as vegetation and forest cover, may be negatively affected due to the presence of power lines. This has a negative impact due to the fragmentation of habitats and territory.

Management approach

Redeia is making progress on the Circular Economy Roadmap to 2030, having implemented 27.1% of the actions related to soils by 2022.

In terms of specific actions, in 2020 an emergency intervention service was implemented in the land environment, which enables a rapid response to accidental spills and the recovery of possible environmental damage. In 2022, a pilot project was designed to recover the soil of a facility affected by an accidental spill, which will be tested between 2023 and 2024.

In addition, environmental risk has been assessed and environmental liabilities identified at all electricity substations, and measures have been implemented to reduce, control, or completely eliminate the potential risks identified.

Moreover, the mitigation hierarchy is applied to all projects involving any alteration to the environment. Acting on the basis of this criterion, in 2022, 100% of the felling of native species has been offset.

Strategic lines

Through the Action Plan, Redeia aims to prevent hydrocarbon leakage and mitigate its impacts by 2030. In addition, the company is trying to find suitable alternatives to substitute phytosanitary products. In the same way, Redeia aims to find innovative and sustainable solutions for the treatment of pollutants in the field.

Calculation methodology

The impact on biodiversity per hectare of land affected by the transport network has been considered and the environmental initiatives carried out by Redeia to reduce this impact have been taken into account.

Three proxies have been used for monetisation: how the timber plantation positively impacts the environment and society, how the Redeia Marine Forest is able to benefit marine ecosystems and how the investment in fire prevention returns.

The main source of information has been the Swedish Life Cycle Center and its EPS (Environmental Priority Strategies) indicators. The results have been adjusted for inflation and exchange rates.

Capital involved

Industrial

Human

Intellectual

Financial

Natural

Social-relational

Stakeholders

Employees

Suppliers

Customers

Business ecosystem

Social ecosystem

Environmental ecosystem

Financial-economic ecosystem

Regulatory bodies and the public administration

Contribution to the SDGs



Impact index calculated on the basis of net profit (Net profit = 100).

Impact index: -0.02

Robustness: Medium-limited

Impact



Indicators

- 55 facilities with population in their immediate vicinity.
- 4 facilities with high noise levels.

Targets

2023 Establishment of an action plan to reduce noise pollution in installations with high noise levels through the use of acoustic chambers.

Value chain stage

- Supply chain
- Own operations**
- Environment and society

What is measured?

Electrical substations can generate noise pollution, which can in turn generate nuisance due to the noise produced by some of their elements. Although Redeia continues to work to mitigate and reduce this aspect in its infrastructures, this can have a potential negative impact on human well-being 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 well-being. It involves communities in the development of activities in a mutually beneficial way.

Calculation methodology

An approach based on the social cost of noise has been used. This proxy was obtained from Moliner, *et al.*, 2013. The results have been adjusted for inflation.

Capital involved

- Industrial
- Human**
- Intellectual
- Financial
- Natural
- Social-relational**

Contribution to the SDGs



Strategic lines

In 2022, a programme of direct measurements was established at the 55 facilities with population in their vicinity. In addition, to reduce its noise pollution levels, the company has made adjustments to some machines. In 2022, specific noise sources were identified by means of an acoustic camera. In 2022, acoustic shielding was also installed at the Arkale substation; in 2023, its installation in La Eliana substation will be completed.

Stakeholders

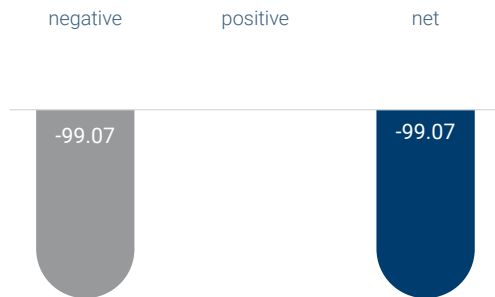
- Employees**
- Suppliers
- Customers**
- Business ecosystem
- Social ecosystem**
- Environmental ecosystem**
- Financial-economic ecosystem
- Regulatory bodies and the public administration

Impact index calculated on the basis of net profit (Net profit = 100).

Impact index: -99.07

Robustness: High

Impact



What is measured?

The raw materials used in the manufacture of transport network infrastructures generate a negative impact mainly associated with the emissions derived from the life cycle of the materials (plastic, aluminium, scrap, electronic components, etc.). Likewise, the treatment that the material receives at the end of its useful life is of vital importance to minimise this impact and has therefore been considered in this calculation.

Contribution to the SDGs



Indicators

- Total tonnes of materials used according to the company's internal information.

Management approach

Redeia has different frameworks for the management of raw materials and the risks they entail, ranging from supply assurance mechanisms to the periodic review of purchasing strategies. In addition, the company has made an estimate of the raw materials required for the maintenance of the transport network, the data of which have enabled it to estimate this impact.

Since its inception in 2020, Redeia has made progress in the implementation of the Circular Economy Roadmap to 2030, having implemented, by the end of 2022, 31.6% of the planned actions related to the consumption of raw materials.

Strategic lines

By 2030, Redeia has set itself the objective of identifying the environmental impacts of equipment and materials at source (LCA). Although the company already integrates sustainability criteria in its purchasing decisions, it aims to increase them. Investments in innovation and technological development are equally important to Redeia's Strategic Plan.

Targets

- 2025** At least 10 supplies with the greatest impact on the transport network with criteria of circularity (LCA), climate change, safety, diversity and biodiversity.
- 2030** Creation of a network of circular supplies.

Calculation methodology

An approach based on the social value of different materials has been used. These proxies correspond to EPS (Environmental Priority Strategies in Product Design) and have been applied to the following materials: porcelain, plastic, magnetic sheet, steel, aluminium, copper, paper, concrete, oil, zinc, SF₆, glass, electronic components, and Ni-Cd battery.

The results have been adjusted for inflation.

Value chain stage

Supply chain

Own operations

Environment and society

Capital involved

Industrial

Human

Intellectual

Financial

Natural

Social-relational

Stakeholders

Employees

Suppliers

Customers

Business ecosystem

Social ecosystem

Environmental ecosystem

Financial-economic ecosystem

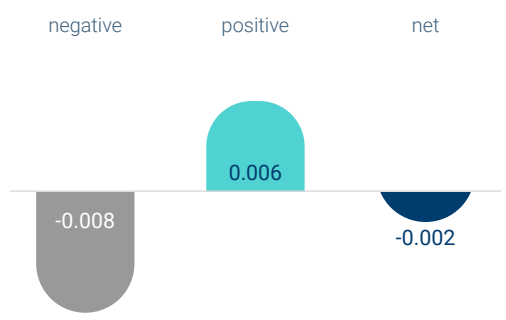
Regulatory bodies and the public administration

Impact index calculated on the basis of net profit (Net profit = 100).

Impact index: -0.002

Robustness: Medium

Impact



What is measured?

The waste generated by Redeia carries a waste footprint along the value chain that implies significant environmental and social costs, which are generated by the pollution of ecosystems and the deterioration of health. The direct economic costs are related to the separation and treatment of waste.

This analysis has taken into account the impact associated with the generation and treatment of hazardous waste (PR) and non-hazardous waste (RNP). The treatments considered, for their different social value, are elimination, reuse, recycling, regeneration, and energy recovery.

Contribution to the SDGs



Indicators

- 1,536 tonnes of waste produced.
- 92.7% of waste recovered, reused or recycled.

Management approach

During 2021 an action Plan was defined for the recovery of 100% of the waste generated by the entire group (all the affiliates are included). Furthermore, some additional measures were implemented such as the incorporation of recycling and recovery requirements. In 2022, 92.7% of the total waste was recycled, reclaimed, or recovered.

Since its beginning in 2020, Redeia has advanced in the implementation of the Circular Economy Roadmap to 2030, having implemented, at the end of 2022, 27.4% 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 circularity in the development of its activities. In this regard, since 2018, the group has been a member of the Pact for a Circular Economy. The company lands this commitment through its 2030 Sustainability Goals, with the aim of being the leading company in the market in terms of closed loop recycling management.

Targets

- 2025** Implementation of an 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% land waste reduction.

Calculation methodology

In this framework, it has been used a two-proxies approach from the University of Cambridge. On one hand, in order to quantify the externalities related to waste accumulation, the unit cost per tonne of waste deposited in landfills has been applied. On the other hand, with the final objective of calculating the mitigated impact of Redeia, it has been included the unit benefit per ton of reused or recycled waste. The final results have been adjusted according to the level of inflation.

Value chain stage

- Supply chain
- Own operations**
- Environment and society

Capital involved

- Industrial
- Human
- Intellectual
- Financial
- Natural**
- Social-relational**

Stakeholders

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

Impact index calculated on the basis of net profit (Net profit = 100).

Impact index: -0.42

Robustness: Medium

Impact



Indicators

- Total tons of hazardous and non-hazardous waste generated in the supply chain according to the company's internal information.

Targets

Incorporation of recycling/recovery requirements in waste management and waste services.

Value chain stage

- Supply chain
- Own operations
- Environment and society

What is measured?

Beyond the direct generation of waste, the production activities of Redeia carry a waste footprint along the value chain that imply significant environmental and social costs, which are generated by the pollution of ecosystems and the deterioration of health. The direct economic costs are related to the separation and treatment of waste.

Management approach

Promote a conduct which is in accordance with the environmental requirements, principles and commitments assumed by Redeia in the supply chain and with partners, thereby encouraging its transfer to the supplier value chain.

Promulgate the Supplier Code of Conduct with the minimum ethical, social and environmental requirements that all suppliers must accept, and comply with, in order to collaborate with Redeia. Furthermore, supplier must commit to extend the Supplier Code of Conduct to their own supply chain. In line with this, this Code makes explicit reference to waste minimisation.

Strategic lines

Work to obtain 100% of circular economy supplies. This means that the equipment and materials used are manufactured from recycled or reused materials and that there is a 100% recovery of resources in place, which implies reducing, reusing, recycling or energetically recovering all waste generated as well as extending the life of materials and equipment.

Capital involved

- Industrial
- Human
- Intellectual
- Financial
- Natural
- Social-relational

Contribution to the SDGs



Calculation methodology

Similar to the above calculation, in this framework it has been employed the unit cost per tonne of waste deposited in landfills. The ultimate goal is to quantify the externalities related to waste accumulation in the supply chain. The results have been adjusted according to the inflation level.

Stakeholders

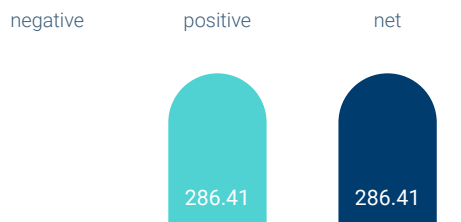
- Employees
- Suppliers
- Customers
- Business ecosystem
- Social ecosystem
- Environmental ecosystem
- Financial-economic ecosystem
- Regulatory bodies and the public administration

Impact index calculated on the basis of net profit (Net profit = 100).

Impact index: 286.41

Robustness: High

Impact



Indicators

- 420 M€ of Income-GDP (in Spain).
- 966 M€ of tax contribution.
- 544 M€ of dividends.

Targets

Act as an engine of change for Redeia suppliers and generate well-being and progress in the territories in which the company operates.

Value chain stage

- Supply chain
- Own operations
- Environment and society

What is measured?

Economic activity in the supply chain of Redeia, as well as induced consumption thanks to the paid wages. The impact refers both to value added (wages and salaries, gross operating surplus and tax contribution) and to the jobs involved. Direct wages are included in the "living wage" externality.

Management approach

In 2022, Redeia made a total investment in Spain of 794 M€ through the various operations in Red Eléctrica, Reintel, Elewit and Hispasat. Out of this amount, it is estimated that 499 M€ correspond to direct investment made in Spain. The entire investment has generated a production in the sectors involved equals to 932 M€, which is twice as high as the direct investment made in Spain. This means that the company contribution to the national GDP amounts almost to 420 M€ (around 20.8% of Redeia's turnover in 2022), estimating an equivalent employment of 6,364 jobs. The investment, as a whole, should produce revenues for the public finances of 162 M€.

An independent study on the total tax contribution generated by the company indicates that it could amount to 966 M€, demonstrating the importance of the company as a fiscal catalyst in the areas in which it operates.

Strategic lines

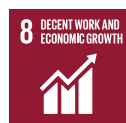
As a company, Redeia has a commitment to create long-term shared value within the business and for its stakeholders. In fiscal matters, the organization has a strategy, in force since 2015, based on transparency, good governance and accountability, which is also aligned with the company's Code of Conduct and Ethics.

In terms of employment, Redeia focuses on promoting and maintaining an employment which is stable and of quality. This is evidenced by the prioritization of indefinite hiring (only 0.8% of employees in 2022 had training contracts or temporary works), as well as by the definition of specific targets to reduce voluntary rotation below 2% (in 2022 it amounted to 3.1%).

Capital involved

- Industrial
- Human
- Intellectual
- Financial
- Natural
- Social-relational

Contribution to the SDGs



Calculation methodology

Redeia's contribution to Spain's GDP has been considered along with its tax revenues through the input-output model. This contribution amounts to 420 M€, out of the total 1,929 M€. In addition to this, the effect of the dividends has been summed, as well as an estimate of the total tax revenue generated by the company.

Stakeholders

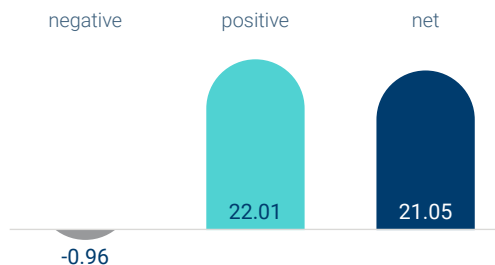
- Employees
- Suppliers
- Customers
- Business ecosystem
- Social ecosystem
- Environmental ecosystem
- Financial-economic ecosystem
- Regulatory bodies and the public administration

Impact index calculated on the basis of net profit (Net profit = 100).

Impact index: 21.05

Robustness: High

Impact



Indicators

- 2,420 employees.
- 60,447€ average wage.

Targets

Identify the key positions that are either critical for the organization or that are difficult to fill in. Thereby, it is possible to develop remuneration models that positively differentiate, in terms of compensation, this special feature.

Value chain stage

Supply chain

Own operations

Environment and society

What is measured?

A living wage is an indispensable condition to ensure that workers, their families, and the communities where the company operates can live with dignity. Therefore, paying a wage above the threshold of the living wage, directly improves people's quality of life and fuels the economy.

Management approach

Redeia strive to consolidate, within all the affiliates of the organization, a model of remuneration that responds to common principles, i.e., including the opportunity for salary progression and the recognition of the work accomplished through variable remuneration.

Calculation methodology

An impact assessment of the remuneration of professionals is carried out. Salary enables workers to provide a satisfactory standard of living for themselves and their families. Since the company pays each of its employees a salary that exceeds the threshold established as "living wage", the positive impact generated by Redeia amounts to the total amount of financial resources dedicated to remunerating the entire workforce. In addition, the notion of "marginal utility adjustment" has been pondered in order to account for the real impact of wages on welfare. This methodology has been developed by the Harvard Business School.

Capital involved

Industrial

Human

Intellectual

Financial

Natural

Social-relational

Contribution to the SDGs



Strategic lines

Introduction of the total remuneration model that combines intangible and emotional elements with economic elements. Economic elements are remuneration for performance and opportunities for wage progression.

Stakeholders

Employees

Suppliers

Customers

Business ecosystem

Social ecosystem

Environmental ecosystem

Financial-economic ecosystem

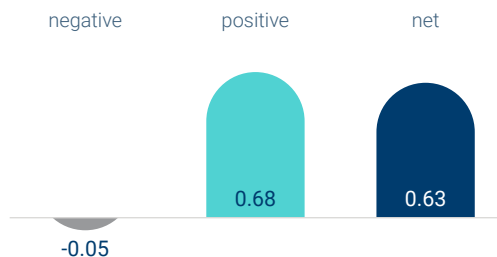
Regulatory bodies and the public administration

Impact index calculated on the basis of net profit (Net profit = 100).

Impact index: 0.63

Robustness: Medium-high

Impact



Indicators

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

Targets

- Zero accidents at work.
- Incorporation of habits for healthy living as well as for emotional management, empowerment of work-life balance and impulse of digital disconnection.

Strategic lines

One of the strategic pillars of Redeia are people, whereby the company promotes cultural transformation, sustainable management and the conversion of the organization into a referent in the market in terms of health.

The safety, health and welfare of Redeia employees are managed by the Work-related Well-being Management System (2022), a Plan whose purpose goes beyond the prevention of injuries and deterioration of people's health. The pillars of action are: Lifestyle, Culture of welfare of the organization, Commitment to the community and Health and safety of people in the organization.

Calculation methodology

On one hand, in order to calculate the net impact on health and safety, two multipliers have been employed. These represent the direct and intangible costs generated by each occupational accident (European Agency for Safety and Health at Work). On the other hand, the social benefits resulting from having a wage higher than the living wage have been considered. The methodology required for this analysis has been developed by the Value Balancing Alliance (VBA). Ultimately, it has been considered the social return on investment (or SROI) of the capital allocated to trainings about safety and health matters (The Institute for Work and Health, 2022). The results have been adjusted according to the level of inflation.

Value chain stage

- Supply chain
- Own operations
- Environment and society

Capital involved

- Industrial
- Human
- Intellectual
- Financial
- Natural
- Social-relational

Stakeholders

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

What is measured?

Accident rates according to frequency and severity for both Redeia staff and contractors.

Managing and ensuring the safety and health of people in the development of work-related activities promotes the prevention of occupational risks. Prevention has a positive impact on the reduction of accidents and the health of Redeia employees.

Contribution to the SDGs



Management approach

With respect to occupational safety, in 2022, 11,740 safety inspections were carried out at work and in installations to anticipate and detect possible risk situations. In addition, the Occupational Risk Model was revised, and awareness-raising sessions, training and consultations were held, which resulted in a significant reduction in the number of accidents.

In the area of health, medical examinations, nutrition consultations, promotion of physical activity and healthy lifestyles have been carried out, among other actions.

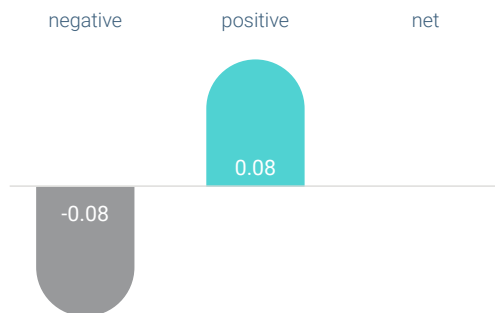
To enhance work-life balance, the Work-life Management Model has been established with more than 70 measures. According to the conciliation survey carried out, 80% of respondents consider Redeia to facilitate work-life balance.

Impact index calculated on the basis of net profit (Net profit = 100).

Impact index: Neutral

Robustness: High

Impact



What is measured?

The management of safety and health in contracting companies promotes the prevention of occupational risks in these, which in turn has a positive impact on the reduction of accidents and on the health of employees.

Contribution to the SDGs



Indicators

- 24 accidents of contractors with sick leave.
- Investment for external awareness.

Management approach

All suppliers working in the facilities and workplaces of Red Eléctrica are skilled and qualified on the subject of occupational safety. In case workers are performing risk activities, these are addressed by the suppliers' heads of work, who have been previously authorized by the Electricity Network Prevention Service. In line with the permanent collaboration with suppliers, 3,497 work managers have been authorized in the riskiest activities, being this a group that plays a fundamental role in the compliance of safety measures during the performance of the work. The qualification involves a review and a verification of the training accomplished, as well as of the qualification and experience that have been acquired.

The company also reflects its commitment to the safety and health of contractors in its Supplier Code of Conduct. In addition, the company randomly requests evidence from its suppliers regarding the safety and health training of its employees, as well as evidence regarding the incorporation of employees into the provider's database, i.e., in corporate workplace safety applications (PRER for Redeia and 6 Conecta, for Hispasat).

Targets

0 accidents.

Strategic lines

Redeia will promote cultural transformation and sustainable management to turn the organization into a reference in the market, in terms of health. In particular, the company focuses its efforts on actively promoting, developing and evaluating the Healthy Business Model, as well as on driving the transformation of the company, by developing an innovative agile and collaborative culture to achieve a more resilient organization able to face the challenges of the Strategic Plan.

Calculation methodology

Similar to the above calculation, in this framework it has been employed a series of proxies providing information on the direct costs per accident at work; on the intangible costs per accident at work; and finally, on the SROI for capital allocated in safety and health training. 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

Own operations

Environment and society

Capital involved

Industrial

Human

Intellectual

Financial

Natural

Social-relational

Stakeholders

Employees

Suppliers

Customers

Business ecosystem

Social ecosystem

Environmental ecosystem

Financial-economic ecosystem

Regulatory bodies and the public administration

Impact index calculated on the basis of net profit (Net profit = 100).

Contribution to social, economic and environmental development

The third of the objectives set out in the 2030 Sustainability Commitment consist in contributing to the economic, social and environmental progress of the surroundings in a safe and efficient manner, as well as in promoting environmental conservation, people's quality of life and social welfare.

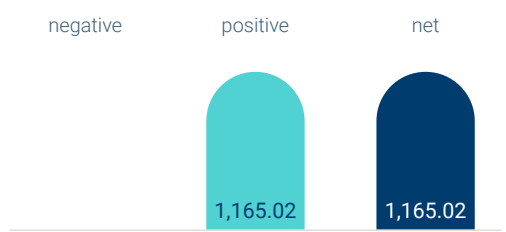
In this case, both impacts measured are positive. Especially relevant is the access, availability and guarantee of electricity supply and connectivity, with a positive effect of more than 11.6 times Redeia's net profit. Social development also has a positive impact.



Impact index: 1,165.02

Robustness: Limited

Impact



Indicators

- **2,015 M€** of revenues from Redeia.
- **3.4 million** companies and **18.9 million** households with electricity supply in Spain.

Management approach

In order to continue guaranteeing electricity supply and connectivity, Redeia has carried out work to extend and maintain the electricity transmission grid. In 2022, the network was extended by 326 kilometres of circuit and 109 substation positions were installed. A fibre optics extension has also been carried out in areas surrounding Red Eléctrica's facilities to reduce the digital divide and carry out digital literacy initiatives and basic skills for people in the surrounding area who do not have them.

Strategic lines

The 2021-2025 Strategic Plan includes measures to guarantee, expand and transform the electricity supply. The measures consist in developing the necessary infrastructures for energy transition; designing, building, and operating storage infrastructures to maximize the integration of renewables; and finally operating a more complex, dynamic and digital electrical system.

Other lines of action linked to the 2021-2026 Electricity Planning approved by the Congress of Deputies in 2022, Redeia will carry out, among other actions, capacity increases in 7,000 kilometres of line, installation of new reactors, renewal of assets, the new Ibiza-Formentera link or the new interconnection between Galicia and Portugal.

In order to continue moving towards greater connectivity, Redeia seeks to boost the satellite business as a lever to reduce the digital divide, boost the fibre optics business and develop opportunities around the deployment of 5G.

Targets

- Ensure continuity and security of the electrical supply and provide a quality, efficient and sustainable service.
- Maximum of 1.2x10⁻⁵ 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.
- Promote the development of the fibre optics business of at least three local operators, 100Mbps deployed with connectivity throughout Spain and investments of 735 M€ in infrastructure.
- 4,800 M€ between 2021 and 2025 of total investment. Out of this significant amount, about 75% will be allocated in the transport network, cross-border connections, storage, and operation of the system.

Calculation methodology

The calculation of the impact index has been carried out on the basis of a number of methodologies. To construct the part of the index relating to electricity supply, the push effect of a company has been taken into account through a GDP multiplier, estimated using input-output tables (Ghosh matrix), and the perspective of the willingness to pay of households based on their total expenditure on electricity (INE, 2021), taking into account the weight of Redeia in the total gross value added of the electricity sector.

For the connectivity part, connectivity value per euro of revenue has been taken into account through a proxy estimated through a market analysis.

Value chain stage

- Supply chain
- Own operations
- Environment and society**

Capital involved

- Industrial**
- Human
- Intellectual
- Financial**
- Natural
- Social-relational**

Stakeholders

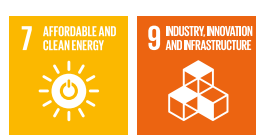
- Employees
- Suppliers
- Customers**
- Business ecosystem
- Social ecosystem**
- Environmental ecosystem
- Financial-economic ecosystem**
- Regulatory bodies and the public administration

What is measured?

Redeia, as the sole operator and transporter of the Spanish electricity system, carries out its activity enabling end users, whether households or companies, to have access to electricity, an essential service for maintaining minimum levels of well-being, health and connectivity, and for carrying out any economic activity.

In addition, the generation of social, economic and environmental impacts through the promotion of connectivity and digitalisation is measured.

Contribution to the SDGs

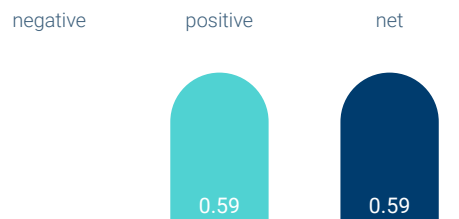


Impact index calculated on the basis of net profit (Net profit = 100).

Impact index: 0.59

Robustness: Medium-limited

Impact



Indicators

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

Targets

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

Value chain stage

Supply chain

Own operations

Environment and society

What is measured?

Redeia impacts local communities where it operates by promoting their social development through projects which, in turn, help legitimize the company's activity.

Management approach

In late 2021, the company defined its social innovation approach. In 2022 the company has carried out 592 social initiatives, out of which 285 have been focused on the socio-economic development of the territory.

Calculation methodology

In this specific context it has been employed an approach based on the social return generated by the investments carried out under the Baza-Caparacena line project. Results have been adjusted according to the inflation level.

Capital involved

Industrial

Human

Intellectual

Financial

Natural

Social-relational

Contribution to the SDGs



Strategic lines

In the Sustainability Plan for 2023-2025, Redeia consolidates its strategy to contribute to the social and environmental development of the societies in which it operates by promoting diversity and reducing the digital gap.

In line with the Sustainability Plan, Redeia has developed a Social Innovation Action Plan, which comprises 11 objectives on which the company should act. These objectives are directed towards digitization, the territory, women, children, and youth.

Stakeholders

Employees

Suppliers

Customers

Business ecosystem

Social ecosystem

Environmental ecosystem

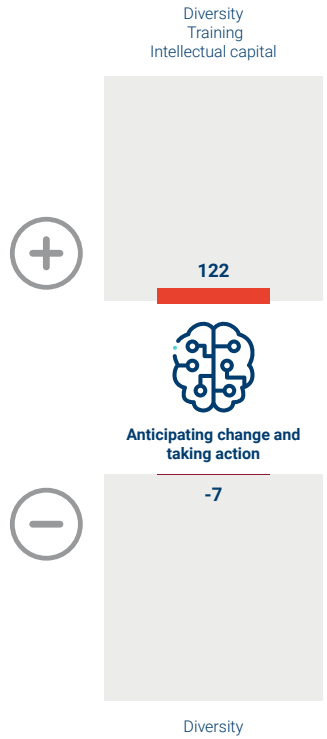
Financial-economic ecosystem

Regulatory bodies and the public administration

Impact index calculated on the basis of net profit (Net profit = 100).

Anticipating change and taking action

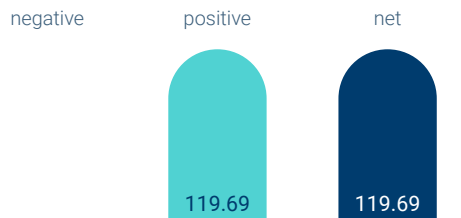
As a measure of adaptation to the future and to the possible opportunities and challenges it may present, Redeia demonstrates its commitment to innovation and the development of intellectual capital, the impact of which is 1.2 times its net profit for the 2022 financial year. The company's own activity also generates impacts on training and on the health, safety and well-being of professionals, which can be both positive and negative.



Impact index: 119.69

Robustness: Medium

Impact



Indicators

- 31.3 M€ of investment in R&D&I in 2022.
- 209.6 M€ in Information and Communication Technology.

Targets

2030 adoption of 64 innovative technological solutions in Redeia that can address key challenges of the company by contributing tangible or intangible value.

Value chain stage

- Supply chain
- Own operations
- Environment and society

What is measured?

Redeia's innovative work and dissemination of knowledge generates a social return for the company in terms of profitability and productivity (internality). However, this has also an impact on society, the environment, and the economy (externality). This external impact is the social return on investment in R&D&I and the generation of knowledge, which contributes to the technological development of the societies in which the company operates.

Management approach

Redeia's investments are handled across all company's departments. Redeia has carried out 79 innovation projects, and several Elewit's technological development projects resulting in an expenditure of €8.3m and an investment of €23m. The company has a Global Innovation Hub, which aims at connecting internal and external talent. Furthermore, the company dispose of proper tools and initiatives to enhance connectivity, i.e., Venture Client, Corporate Venture Capital, the Elewit Lab and the technology factory.

Calculation methodology

The approach used in this framework is based on two main proxies representing first the SROI of R&D capital (Jones and Summer, 2020) and then the SROI allocated in information and communication technologies (Dhyne et al., 2020). The results have been adjusted according to the level of inflation.

Capital involved

- Industrial: Human
- Intellectual: Financial
- Natural: Social-relational

Contribution to the SDGs



Strategic lines

Innovation is one of the seven lines of action of the 2021-2025 Strategic Plan. Redeia will promote a leading position in innovation in the energy and telecommunications sectors, with Elewit as a driving force. Redeia's technology platform, Elewit, has deployed different tools to offer solutions to the new challenges in the electricity and telecommunications sectors with the aim of fostering the energy transition as well as connectivity, to promote a more sustainable future.

Stakeholders

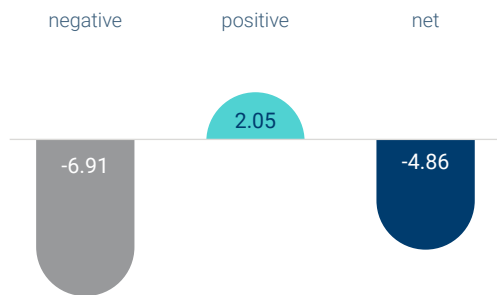
- Employees
- Suppliers
- Customers
- Business ecosystem
- Social ecosystem
- Environmental ecosystem
- Financial-economic ecosystem
- Regulatory bodies and the public administration

Impact index calculated on the basis of net profit (Net profit = 100).

Impact index: -4.86

Robustness: Medium

Impact



Indicators

- 27.9% of women in the workforce.

Targets

- 2025** 50% of women on the Board of Directors and 38% of women in the management team in the group.
- 2025** At least 40% of the legal percentage related to the direct employment of people with disabilities.
- 2030** 50% of women on the Board of Directors and in the company's management team.

Value chain stage

- Supply chain
- Own operations**
- Environment and society

What is measured?

Presence of women in the workforce, on Redeia's Board of Directors and in the company's management team. Hereby, one is measuring the degree of social injustice associated with the gender wage gap as well as with other possible unquantified impacts in terms of innovation and social stability.

Management approach

The percentage of women in Redeia's workforce has risen to 27.9% in 2022. Furthermore, for the third consecutive year, the number of women in management positions has increased, reaching 35.3% (34.1% in 2021), thus exceeding the target of 35% established in the Comprehensive Diversity Plan 2018-2022.

Calculation methodology

The gender composition of the workforce has been taken into account for the calculation of the overall impact. The final objective of this analysis is to measure the wage impact determined by a lower presence of women in the workforce. This calculation has been carried out following the methodology developed by the Harvard Business School (2021). In practice, to assess the positive impact generated by Redeia's diverse workforce, one had to consider the company's level of female integration in the labour force. In comparison to the other companies operating in the energy sector, Redeia has employed more women.

Capital involved

- Industrial
- Human**
- Intellectual
- Financial**
- Natural
- Social-relational

Contribution to the SDGs



Strategic lines

Redeia is working on updating the Comprehensive Diversity Plan for the upcoming years (2023-2025), focusing on 3 main lines of action: gender equality and opportunities, age management and inclusion of people with disabilities.

Stakeholders

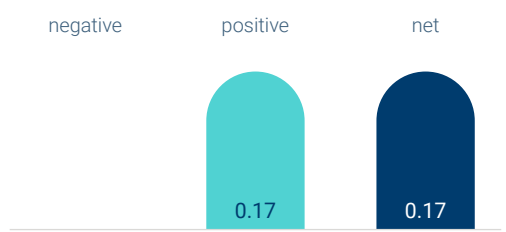
- Employees**
- Suppliers
- Customers
- Business ecosystem
- Social ecosystem
- Environmental ecosystem
- Financial-economic ecosystem
- Regulatory bodies and the public administration

Impact index calculated on the basis of net profit (Net profit = 100).

Impact index: 0.17

Robustness: High

Impact



Indicators

- **36 hours** of training per employee yearly.

Targets

Achieve a cultural transformation of the company by developing talent to face the challenges of the Strategic Plan 2021-2025.

Value chain stage

- Supply chain
- Own operations**
- Environment and society

What is measured?

The training of Redeia's employees contributes to their development as professionals as well as to the acquisition of further knowledge. Thereby, Redeia generates a positive impact on the well-being and the economic prospects of its employees. Eventually, these training programmes contribute to the creation of a more productive and efficient society.

Management approach

- To train its professionals, Redeia has:
- Established a learning model whereby leaders support and accompany employees in their professional development, by means of an individualised learning plan divided into specific training areas.
 - Identified and classified people according to the type of talent they possess.
 - Collaborate with the education sector to provide practical training for recent graduates.

Calculation methodology

In this framework, it has been used a robust approach based on the methodology provided by the Value Balancing Alliance (VBA). The VBA methodology allows to measure the SROI of the financial resources allocated to the training of employees. In order to compute the final results, one need 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).

Capital involved

- Industrial
- Human**
- Intellectual
- Financial
- Natural
- Social-relational**

Contribution to the SDGs



Strategic lines

- The strategy is based on the Talent Management Model, which is made up of 5 pillars:
- Recruitment, selection, and integration of talent.
 - Differentiation of talent.
 - Training plans as well as plans for the professional development of employees.
 - Knowledge management.
 - Transformational leadership.

Stakeholders

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

Impact index calculated on the basis of net profit (Net profit = 100).

4.

Conclusions

Following the bases of the concept of impact developed by the Chair of Social Impact of the Comillas Pontifical University, this document corresponds to the first consolidated impact report published by Redeia. Throughout the study, a detailed analysis is carried out of the impacts caused by the company's activity during the 2022 financial year. This analysis lays the methodological foundations and sets the direction towards continuous follow-up and monitoring that will enable the effects of Redeia's activity on its stakeholders in the communities in which it operates to be quantified with greater precision.

Once the catalogue of impacts has been analysed, it is possible to conclude that the main impact is the capacity to provide access/supply electricity. The pull effect on economic activity, employment and tax contribution also generates positive impacts, as well as digital inclusion from connectivity. Measuring negative impacts allows to focus on areas where performance needs to be improved. This is the case of mitigating the negative effects of the company's production, especially in the area of raw material consumption and greenhouse gas emissions in the electricity sector, the latter also indirectly in the value chain. In any case, Redeia demonstrates its commitment to improving these negative effects through the efforts made in terms of integrating renewables or achieving the objectives of the Integrated National Energy and Climate Plan, among others, which would substantially reduce this impact.

These results for 2022 are an estimate based on the methodologies applied and the proxies used, some of which have been tested and others developed internally, so that as their development and consolidation evolves, variations may arise which, if they occur, will be sufficiently argued in future editions of the impact report.

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.



On the other hand, as well as helping to understand the positive and negative effects derived from Redeia's activity, this analysis has made it possible to structure a clear representation of these impacts with a view to favouring better communication with the company's stakeholders. In addition, the results will also support the identification and understanding of related trends over time, enabling the integration of the findings into decision-making at all levels of the company. Thus, impact measurement will allow Redeia to have a complete and holistic view of the effects of its activities, ultimately facilitating the prioritisation of projects, activities and investments in the long term.

Finally, the next steps of the roadmap should be focused on increasing the catalogue of impacts, as well as analysing any new ones that may be identified, and continuing to increase the consistency and robustness of the impacts already detected and the methodology applied. In the future, Redeia seeks to maximise the positive aspects for the communities in which it operates and reduce the negative ones.

In short, Redeia aims to generate a relationship based on transparency and sustainability with its stakeholders in order to strengthen the positive link with its employees, the environment and society in general.

5.

References



- [Banco de España. \(2022\). Tipos de cambio.](#)
- [Bernardino, J., Martins, R. S., Bispo, R., & Moreira, F. \(2019\). Re-assessing the effectiveness of wire-marking to mitigate bird collisions with power lines: A meta-analysis and guidelines for field studies. *Journal of Environmental Management*, 252, 109651.](#)
- [Cátedra de Impacto Social de la Universidad de Comillas \(2023\). Propuestas para la medición de impacto social: Medir para Decidir.](#)
- [Dhyne, E., Konings, J., Van Den Bosch, J., & Vanormelingen, S. \(2021\). The Return on Information Technology: Who Benefits Most? *Information Systems Research*, 32\(1\), 194-211.](#)
- [European Agency for Safety and Health at Work. \(2019\). The value of occupational safety and health and the societal costs of work-related injuries and diseases.](#)
- [Harvard Business School. \(2020\). Preliminary Framework for Product Impact-Weighted Accounts.](#)
- [Harvard Business School. \(2021\). Accounting for Employment Impact at Scale.](#)
- [Institute for Work & Health. \(2022\). Estimating the financial return on employers' investments in the prevention of work injuries in Ontario.](#)
- [Instituto Nacional de Estadística \(INE\). \(2020\). Estadística estructural de empresas: sector industrial. Año 2020.](#)
- [Instituto Nacional de Estadística \(INE\). \(2021\). Gasto por códigos de gasto \(5 dígitos ECOICOP/EPF\).](#)
- [Instituto Nacional de Estadística \(INE\). \(2023\). Índice de Precios de Consumo \(IPC\). Base 2021.](#)
- [Instituto Nacional de Estadística \(INE\). \(2023\). Índice de precios de consumo. IPC. Abril 2023.](#)
- [International Integrated Reporting Council. \(2013\). El Marco Internacional <IR>.](#)
- [Jones, B. F., & Summers, L. H. \(2020\). A Calculation of the Social Returns to Innovation. NBER.](#)
- [Leontief, Wassily \(1986\). Input-output Economics. Oxford University Press.](#)
- [Management Solutions \(2022\). Desafíos y oportunidades en la medición de impacto social.](#)
- [Moliner, E., Vidal, R., & Franco, V. H. \(2013\). A fair method for the calculation of the external costs of road traffic noise according to the Eurovignette Directive. *Transportation Research Part D-transport and Environment*, 24, 52-61.](#)
- [Natural Capital Coalition \(2015\). Natural Capital Protocol.](#)
- [Psacharopoulos, G., & Patrinos, H. A. \(2004\). Returns to investment in education: a further update. *Education Economics*, 12\(2\), 111-134.](#)
- [Real Decreto Legislativo 2/2015, de 23 de octubre, por el que se aprueba el texto refundido de la Ley del Estatuto de los Trabajadores. Artículo 23.3. *Boletín Oficial del Estado*, 255, de 13 de noviembre de 2015.](#)
- [Redeia. \(2022\). Cuentas anuales consolidadas 2022.](#)
- [Redeia. \(2022\). Declaración ambiental EMAS 2021.](#)
- [Redeia. \(2022\). Informe de sostenibilidad 2022.](#)
- [S&P. \(n.d.\). Truecost.](#)
- [Social & Human Capital Coalition. \(2019\). Social & Human Capital Protocol.](#)
- [Soria, M. A., & Guil, F. \(2017\). Primera aproximación general al impacto provocado por la electrocución de aves rapaces: incidencia sobre las aves e impacto económico asociado. *ResearchGate*.](#)
- [Swedish Life Cycle Center. \(2020\). EPS - Environmental Priority Strategies in Product Design.](#)
- [Swedish Life Cycle Center. \(2020\). EPS weighting factors - version 2020d.](#)
- [The SROI Network \(2012\). A guide to Social Return on Investment.](#)
- [University of Cambridge. \(n.d.\). Ahorro unitario de la tonelada de residuo reutilizado.](#)
- [University of Cambridge. \(n.d.\). Coste unitario de la tonelada de residuo en vertedero.](#)
- [Value Balancing Alliance. \(2022\). Impact Statement. Topic-Specific Method Paper: Social and Economic.](#)
- [World Business Council for Sustainable Development. \(2008\). Measuring Impact, Framework Methodology.](#)

6.

Annex

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.

Nature of and responsibilities for this report

This document has been prepared by Redeia for the sole purpose stated herein. Its content is purely informative and provisional, and the statements contained herein reflect the intentions, expectations and forecasts of "Redeia" or its management. This content has not necessarily been verified with independent third parties.

In this regard, neither Redeia nor any of its directors, officers, employees, consultants or advisors of Redeia or Redeia-owned companies (all of whom are collectively referred to as "the Representatives") shall be responsible for the correctness, accuracy, completeness and/or timeliness of the information or statements contained herein, nor shall any representation or warranty of any kind be inferred from the contents hereof, whether express or implied. Further, neither Redeia nor any of the Representatives shall be liable in any way (including negligence) for any damage or injury arising from the use of this document or any information contained herein.

Furthermore, Redeia assumes no obligation to publish and notify possible modifications or revisions to the information, data or statements contained in this document in the event of changes in strategy or intentions, or the occurrence of unforeseen events or developments that may affect such information, data or statements.



Edit

Redeia

Paseo del Conde de los Gaitanes, 177

28109 Alcobendas (Madrid)

www.redeia.com

This English version is a translation of the original and authentic Spanish text found in the 'Informe anual de medición y gestión de impacto 2022', originally issued in Spanish. In the event of a discrepancy, the original Spanish language version shall prevail.

redeia

El valor de lo esencial